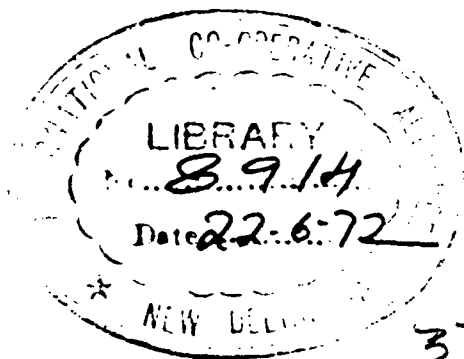


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International Co-operative Alliance

11, Upper Grosvenor Street, London, W.1.



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Report of the
Twentieth Congress
at
Stockholm

4th to 7th August, 1957

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International Co-operative Alliance

Founded 1895

President:

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Vice-Presidents:

M. BONOW, A. P. KLIMOV.

Members of the Executive:

CH.-H. BARBIER, M. BONOW, M. BROT, G. CERRETI, J. J. A. CHARBO, J. M. DAVIDSON,
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J. VOORHIS.

Director:

W. P. WATKINS.

General Secretary:

Miss G. F. POLLEY.

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Austria	A. Korp, A. Vukovich, L. Strobl.
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Bulgaria.....	P. Takov.
Canada	B. Melvin.
Czechoslovakia	A. Droppa, K. Kovac, M. Marik, Mrs. B. Machacová-Dostálová, J. Marcek, J. Nepomucky, J. Pistek, J. Podlipny, L. Smrcka, A. Zabojník.
Denmark	J. Th. Arnfred, A. A. Drejer, L. Fabricius, T. Pedersen.
Finland	L. Hietanen, M. Mustonen, O. Stadius, J. Jalava, J. Laakso, U. Takki.
France	M. Brot, F. Burette, M. Catelas, A. Charial, E. Couvrecelle, A. Cramois, M. Degond, G. Gaussel, G. Heitz, P. Ramadier.
Germany	E. Hasselmann, F. Klein, H. Meins, C. Schumacher, H. Everling, C. A. Ellenbeck, J. Brecht.
Great Britain	J. Corina, J. M. Davidson, G. R. Douglas, R. G. Gosling, C. McAleese, F. Oakley, B. Richardson, P. Robinson, R. Southern, H. Taylor.
Greece	P. Roussos.
Holland	H. A. Bastiaans, J. J. A. Charbo, J. Roos.
Iceland	E. Einarsson.
India ✓.....	B. J. Patel.
Israel.....	J. Efter, Z. Onn.
Italy	O. Bardi, G. Cerreti, I. Curti, V. Grazia, G. Tolino, L. Malfettani, V. Menghi.
Norway.....	R. Haugen, P. Søliland.
Roumania	C. Mateesco.
Sweden	C. A. Anderson, S. Apelqvist, M. Bonow, A. Gjöres, A. Johansson, N. Thedin.
Switzerland	Ch.-H. Barbier, H. Rudin, A. Vuilleumier, H. Küng.
U.S.A.	S. Ashelman, W. J. Campbell, H. A. Cowden, G. W. Jacobson, J. W. Koski, M. D. Lincoln, Mrs. R. Robison, F. F. Rondeau, A. J. Smaby, J. Voorhis.
U.S.S.R.	I. P. Akhremchik, C. A. Bokov, K. J. Junuson, A. P. Klimov, T. S. Krayushin, A. V. Ljubimov, S. F. Malikov, N. P. Sidorov, D. S. Timofeev, V. I. Vaino.
Yugoslavia	M. Voutchkovitch.

The Congress Committee

President:

Mr. Marcel Brot

Vice-Presidents:

Dr. M. Bonow, Mr. A. P. Klimov

Members:

Central Committee: Mr. A. Korp, Mr. L. Hietanen, Mr. B. J. Patel.

Delegates: Madame C. Ancion, Mr. H. Culbreth, Mr. V. Salvanayagam.

Past Congresses

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

20th Congress of the International Co-operative Alliance Stockholm, August 1957

GUESTS AND FRATERNAL DELEGATES

Swedish Government:

Mr. Kling, Swedish Minister without Portfolio.

City of Stockholm:

Mr. Carl Albert Anderson, Mayor of Stockholm.

Government Representatives:

Austria	Dr. L. Hintz.
Belgium	Dr. P. Raskin, Ministry of Economic Affairs.
Burma	Mr. Soe Tun.
Finland	Mr. Heikki Hannikainen, Chargé d'Affaires, Stockholm.
Germany.....	Mr. E. Bömcke, Counsellor to Ministry of Economics, Bonn.
Great Britain	Mr. A. G. Wallis, First Secretary to British Embassy, Stockholm.
Iran ✓.....	Mr. F. Taleb-Beigi, Ministry of Labour.
Italy	Mr. Picotti, Press Attache to the Italian Embassy, Stockholm.
(Ministry of Labour)	
Indonesia ✓.....	Dr. Roesli Rahim, Co-operative Service, Ministry of Economic Affairs.
U.S.S.R.	Mr. F. T. Gusev, Ambassador to Sweden.

Representatives of International Organisations:

United Nations Organisation	Mr. David Owen, also Mr. J. G. Lindstrom.
International Labour Office	Mr. S. N. Roy.
U.N.E.S.C.O.	Mr. Sven Arne-Stahre.
F.A.O.	Mr. G. St. Siegens.
W.F.U.N.A.	Professor H. Eek.
European Confederation of Agriculture	Dr. L. Strobl.
International Chamber of Commerce	Mr. Anders Hedberg.
Organisation for European Economic Co-operation	Mr. O. Rydeng.
International Centre of Research and Information on Collective Economy	Professor Edgard Milhaud.
International Co-operative Women's Guild.....	Mrs. Cecily Cook.

Personal Guests:

Mr. Väinö Tanner, Former President of the I.C.A.
 Lord Rusholme, Former President of the I.C.A.
 Mr. Thorsten Odhe, Former Director of the I.C.A.

Delegates of Constituent Members of the I.C.A.

Australia.

✓ Co-operative Fédération of Australia..... Silsbury, A. G.

Argentina.

Federación Argentina de Cooperativas de
Consumo, Buenos Aires Lustig, E.

Austria.

“ Konsumverband ” Zentralverband der
österreichischen Konsumgenossenschaften,
Vienna Daxenbichler, F.
Karner, F.
Korp, A.
Krämer, Frau F.
Pröbsting, K.
Reisner, J.
Schmidt, F.
Vukovich, A.

Allgemeiner Verband für das landwirtschaftliche
Genossenschaftswesen in Oesterreich,
Vienna Strobl, L.

Belgium.

Société Générale Coopérative, Brussels Ancion, Mme. C.
Chevalier, L.
Closset, Mme. A.
Delwarte, A.
Desmet, L.
De Tiege, A. F. Th.
Devillers, V.
Heyman-Coulon, Mme. F.
Huysens, R.
Lemaire, H.
Nachez, G.
Polet, J.
Roger, J.
Serwy, W.

Office des Pharmacies Coopératives de Belgique,
Brussels Cambier, L.
Vande Moortele, G.

Belgium—(continued).

Fédération Nationale des Coopératives Chrésiennes, Brussels	Eerdekens, J. Lambert, J. Segers, P. W.
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Bulgaria.

Central Co-operative Union, Sofia	Sertov, P. Takov, P.
---	-------------------------

Canada.

The Co-operative Union of Canada, Ottawa ...	Connor, Mrs. V. T. Fowler, Mrs. H. L. Melvin, B. Swenson, A.
--	---

Conseil Canadien de la Coopération	Bérubé, L. Poitras, —.
--	---------------------------

Ceylon.

✓ Co-operative Federation of Ceylon, Colombo...	Hettiarchchi, D. E. Kotagama, B.
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Czechoslovakia.

Ustredni Rada Druzstev, Prague	Buresová, Mrs. M. Capek, M. Droppa, A. Kovac, J. Machacová, Mrs. B. Marcek, J. Marik, M. Matejka, S. Michalek, K. Nepomucky, J. Pelák, J. Pistek, J. Podlipny, J. Sieber, L. Smrcka, L. Suchá, Mrs. M. Suková, Mrs. K. Styriaková, Mrs. P. Vetvicka, M. Zábojnik, A.
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Denmark.

De samvirkende danske Andelsselskaber, Copenhagen	Aagaard, F. Andersen, P. N.
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Denmark—(continued).

De samvirkende danske Anndelsselskaber, Copenhagen (continued).....	Arnfred, J. Th. Bo, A. Busse, C. Drejer, A. A. Efholm, M. Fabricius, L. Groes, E. Jensen, J. P. Jensen, O. Nielsen, E. Nielsen-Skensved, E. Overgaard, S. Pedersen, C. Petersen, L. Thøgersen, F.
Det kooperative Faellesforbund i Danmark, Copenhagen	Christensen, A. Dalgaard, Fr. Floetkjaer, A. Jensen, E. Nielsen, K. Noergaard, P. Villumsen, W.

Finland.

Kulutusuosuskuntien Keskusliitto, Helsinki.....	Finérus, A. Halme, K. Jalava, J. Kulo, K. L. Laakso, J. Larni, M. Nurminen, Mrs. E. Roine, Miss R. Sinipaasi, A. Stor-Rank, E. Suortti, S. Tainio, E. Takki, U.
Yleinen Osuuskauppojen Liitto, r.l., Helsinki ...	Hietanen, L. Laesvuori, H.-S. Loppi, V. Mustonen, M. Romo, E. Simonen, S. Stadius, O. Tuura, A. Ukkola, E. Viding, P. A.

France.

Fédération Nationale des Coopératives de Consommation, Paris	Amman, A. Arduin, J. Arduin, Mme. J.
---	--

France—(continued).

**Fédération Nationale des Coopératives de
Consommation, Paris (continued)**

Bodot, H.
Bouilly, G.
Bouilly, Mme. G.
Boure, G.
Bricout, E.
Brot, M.
Catel, P.
Catelas, M.
Catelas, Mme. M.
Colin, L.
Colin, Mlle.
Couvrecelle, E.
Couvrecelle, Mme. E.
Couvrecelle, M.
Couvrecelle, Mme. M.
Degond, M.
Delhay, E.
Delhay, Mme. E.
Dutilleul, L.
Grouard, C.
Grouard, Mme. C.
Heitz, G.
Heitz, Mme. G.
Hirschfeld, A.
Huber, M.
Kerinec, R.
Lacour, P.
Morot, L.
Morot, Mme. L.
Mortegoutte, A.
Negre, G.
Orsini, R.
Orsini, Mme. R.
Penichoux, R.
Penichoux, Mme. R.
Schwartz, G.
Seve, J.
Staedel, E.
Vivien, R.

**Confédération Générale des Sociétés Coopératives
Ouvrières de Production, Paris**

Antoni, A.
Charial, A.

**Banque Coopérative des Sociétés Ouvrières de
Production de France, Paris**

Harasse, N.
Heymann, N.-R.

**Confédération Nationale de la Coopération, de
la Mutualité et du Crédit Agricoles, Paris...**

Delmas, G.

Caisse Nationale de Crédit Agricole, Paris.....

Breton, P.
Cramois, A.

**Fédération Nationale des Sociétés Coopératives
d'Habitations Loyer Modéré, Paris.....**

Dunand, F.
Robert, L.

Germany.

Zentralverband deutscher Konsumgenossenschaften, Hamburg	Beyer, L. Boogaard, P. van den Borgner, G. Büschelberger, O. Disch, E. Dowidat, K. Ellenbeck, C. A. Erlenbusch, W. Everling, H. Feldermann, H. Finkensiep, R. Fleischmann, H. Flügge, W. Frederiksen, H. Godau, H. Gründer, Frau M. Gurk, B. Hasselmann, E. Hoff, W. Hoffmann, Frau L. Kassauer, Frau H. Kern, H. Klasen, J. Klein, F. Koch, Frau E. Lenhoff, E. List, A. Meins, H. Nau, W. Neuwöhner, F. Paulig, O. Petsch, K. Philipp, M. Reichard, W. Renner, F. Riedl, Frau E. Saalfeld, H. Schimming, K. Schlobohm, W. Schotte, H. Schumacher, C. Schweer, Frau C. Sommer, M. Storck, R. Stoye, C. Strauss, L. Wallbrecht, R. Weisshaar, H. Wiederkehr, C. Wiehem, H.
Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne	Brecht, J. Riebandt, F. A. C.

Ghana.

The Alliance of Ghana Co-operatives, Accra ...	Aboagye, F. K.
--	----------------

Great Britain.

Co-operative Union	Corina, J. Douglas, G. R. Hilditch, C. C. McAleese, C. Oakley, F. Richardson, B. Southern, R. Weir, T.
Societies—	
Belfast.....	Williamson, Mrs. A.
Birkenhead and District	Douglas, Mrs. G. R. Hodgson, C. W. Hodgson, Mrs. C. W.
Birmingham	Ravenhill, E. J. H. Thompson, G. M. Whately, Mrs. F. M. Wickens, Mrs. H. M.
„ Ten Acres and Stirchley.....	Walker, Miss H.
Blackpool	Greenwood, E. Williams, H. A.
Blaydon	Cowings, Mrs. F.
Bo'ness	Campbell, Mrs. M.
Brightside and Carbrook	Colbert, C. W. Marsden, W. H. S.
Bristol.....	Delaney, Mrs. L. Kingston, J. R. Richmond, W. A.
Burnbank	Woods, Mrs. A.
Clydebank	Allan, H. West, D.
Cowlairs.....	Lang, J.
Darlington	Jennings, H. C.
Derby	Wardle, J. Williams, R. S.
Dysart.....	McPherson, Mrs. A.
East Lothian	Alexander, Miss C.
East Midlands Housing Association	Bagshaw, D. R. Elderfield, P. R.
Eccles and District	Ireland, H. King, J.
Enfield Highway	Campbell, H. E. Preston, W. L. A.
Failsworth	Swindell, Mrs. G.
Glasgow—Scottish Co-operative Wholesale	Davidson, J. M. Dow, D. Ferguson, W. W. Nicholson, G. T. Stirling, J. A. Taylor, R.

Great Britain—(continued)

Glasgow—United Baking	Cullen, J. Harvey, H. W. McKell, J.
„ Eastern.....	McKell, Mrs. M.
„ St. George	Greer, Mrs. J. R.
Grays	Parfitt, Mrs. F. M.
Greenfield	Hobson, W. G. Hobson, Mrs. M. A.
Greenock	Hardstaff, J. W. Smith, A. A.
Kilmarnock Equitable	Howie, Mrs. A. Young, Mrs. J.
Kirkcaldy and District	Davidson, Mrs. M.
Leicester—Co-operative Productive Federation	Taylor, H.
Leicester.....	Flude, F. L. Green, Mrs. E. Hollis, L. Strickson, A.
Leith	Dawson, S. Samuel, Mrs. J. Trotter, J. A.
Lennoxtown	McKenzie, Mrs. M. S.
London.....	Argent, E. J. Barnes, P. R. Bell, E. P. Dewey, Mrs. E. Moore, A. O'Connor, Mrs. A. E. Roberts, A. H.
„ Royal Arsenal	Agar, Mrs. H. M. Bilney, P. H. Furness, E. Henrotte, Mrs. E.
„ South Suburban	Clarke, S. G. Constable, W. J. Crimp, Mrs. M. E. Walmsley, D. L.
„ Co-operative Permanent Building.....	Ashworth, H. Cessford, E. P. Clark, J. B. Sheppard, R. J. Simpson, J. H.
„ Women's Co-operative Guild	Ridealgh, Mrs. M. Schofield, Mrs. D.
Manchester—Co-operative Wholesale	Cooke, L. Cooke, F. Deans, R. Gosling, R. G. Kassell, S. L. Robinson, P. Williams, Lord Wood, N.

Great Britain—(continued).

Manchester—Co-operative Insurance	Dinnage, R.
„ Co-operative Press	Bargh, W. Hamnett, C. Williams, Mrs. E. E.
Manchester and Salford	Brownbill, E. E. Inchcombe, A. E. Pownall, Mrs. J. Wagstaff, N. S.
Middlesbrough	Burton, Mrs. L. Hewitson, Mrs. M. E.
Newcastle	Lowes, Mrs. S.
Nottingham	Dale, H. Forsyth, C. T.
Nuneaton	Bonell, G. T. Chamberlain, W. R.
Peterborough and District	Jarvis, Miss B. E. A.
Port Glasgow.....	Wilkie, Miss J. D.
Renfrew Equitable	Vallance, A.
Rushden.....	Bailey, H. Griffiths, R. R.
St. Cuthbert	Litster, Mrs. F.
Salisbury	Mould, Mrs. B. M.
Sheffield and Ecclesall	Brown, G. W. Dinsley, P. Needham, G.
Southampton.....	Stonehouse, Mrs. R. M.
Staines and District	Webster, Mrs. M. M.
Stockton.....	Walters, Mrs. R.
Thornliebank.....	Lonsdale, Mrs. M.
Torquay.....	Symes, Miss E. A.
Walsall and District	Evison, A. Taylor, G. A.
Walsall Locks and Cart Gear	Gwinnett, T.
Watford	Nicholls, R. W.
West Calder	Duncan, A.
Whaley Bridge and Buxton.....	Jackson, A. Jackson, Mrs. M. E.
Wolverhampton.....	Halbard, Miss E. Lewis, S. H. Lewis, Mrs. C.

Holland.

Centrale der Nederlandse Verbruikscoöperaties, Rotterdam	Baart, F. Blöten-Baars, Mrs. M. Charbo, J. J. A. Netten, J. F. van Nijhof, G. J. Vondeling, A.
---	---

Iceland.

Samband Isl. Samvinnufélaga, Reykjavik..... Einarsson, E.
Palmason, T.

India.

✓ All India Co-operative Union, New Delhi Patel, B. J.
Prasada Rao, C. D.

Israel.

General Co-operative Association of Jewish
Labour in Erez-Israel "Hevrat Ovdim,"
Ltd., Tel-Aviv Efter, J.
Onn, Z.
Repetur, B.
Ritov, J.
Shidlovsky, Mrs. A.
"Merkaz" Audit Union of Co-operative Societies
for Loans and Savings, Tel-Aviv Shtaher, A.

Italy.

Lega Nazionale delle Cooperative e Mutue,
Rome Airoidi, E.
Baglini, I.
Bardi, F.
Baroncini, P.
Bastia, S.
Belardinelli, A.
Bertero, O.
Brunati, B.
Candini, C.
Casalini, M.
Cavalera, G.
Cecchi, M.
Cenerini, R.
Cerreti, G.
Ceseri, M.
Compagno, V.
Cova, V.
Crisanti, Mlle. L.
Di Marco, F.
Fantini, E.
Flamigni, A.
Fornaciari, L.
Frignani, F.
Gambi, G.
Grazia, V.
Iori, D.
Jotti, E.
Losi, W.
Magnani, A.
Mattioli, O.
Mazzanti, R.
Mazzoli, E.

Italy—(continued).

Lega Nazionale delle Cooperative e Mutue, Rome (continued)	Meschieri, A. Montaldo, V. Olmini, C. Ottani, A. Paterlini, E. Pelliconi, A. Pillori, T. Pozzi, M. Proni, M. Pupeschi, M. Ramenghi, R. Ricci, G. Ronzoni, W. Seracchioli, A. Tedesco, Mlle. G. Todini, A. Tolino, G. Venturelli, A. Zambelli, C. Zucchi, P.
Confederazione Cooperativa Italiana, Rome	Di Domenico, Mlle. A. Giordano, G. Greco, S. Lojacono, A. Maggiore, M. Malfettani, L. Mayr, A. Menghi, V. Mondini, E. Parisi, G. Parisi, Mlle. M. Romiti, A. Sanzone, D. Sist, M. Tostani, G.

Jamaica.

Jamaica Co-operative Union, Ltd., Kingston	Burke, E. N.
--	--------------

Japan.

Zenkoku Nogyokyodokumiai Chuokai, Tokyo...	Ichiraku, T. Morikawa, B.
Nippon Seikatsu Kyodokumiari Rengokai, Tokyo.....	Nakabayashi, S.

Malaya.

Co-operative Union of Malaya, Ltd., Kuala Lumpur	Selvanayagam, V. Che Kontik Kamariah binte Ahmad.
--	--

Nigeria.

Co-operative Union of Eastern Nigeria, Ltd.	Itauma, U.
---	------------

Norway.

Norges Kooperative Landsforening, Oslo.....	Berge, T. Dalen, S. J. Fiskum, A. Flaa, H. Kvarekval, T. Haugen, R. Hovind, C. O. Medby, A. P. Moe, I. Søiland, P. Svensson, S.
A/L. Norske Boligbyggelags Landsforbund, Oslo	Amundsen, A.

Pakistan.

All-Pakistan Co-operative Association, Lahore...	Khan Ghulam Hasan Khan. Khan Muhammad Bashir Ahmad Khan.
Punjab Provincial Co-operative Bank, Lahore ...	Malki Muzzafar Ali
Punjab Co-operative Union, Lahore	Riazuddin Ahmed Rashidud Din.

Roumania.

Uniunea Centrala a Cooperativelor de Consum "Centrocop," Bucharest	Mateescu, C. Usturoi, D.
---	-----------------------------

Sweden.

Kooperativa Förbundet, Stockholm	Anderson, C. A. Andersson, G. E. Andersson, R. Apelqvist, S.
--	---

Sweden—(continued).

Kooperativa Förbundet, Stockholm (continued)	Björkman, E. Blomberg, N. W. Bonow, M. Borgström, E. Edstam, H. Ekman, G. Elldin, H. Eriksson, E. Eriksson, S. Eronn, L. Etzler, G. Friberg, K. A. Gillberg, J. Gjöres, A. Granlund, F. Gruveman, C. Gustavsson, H. Gustafsson, S. Hedberg, A. Hjalmarson, H. Jansson, C. E. Johansson, A. Jonsson, A. Jönsson, J. E. Källén, K. Kéler, G. Lindskog, C. Lövén, N. Lundberg, J. Lundqvist, A. E. Malmström, C. G. Moback, O. Nilsson, Miss I. Nyqvist, A. Odhe, T. Persson, H. Petersson, V. Sallborg, J. Sjölin, W. Stolpe, H. Thedin, N. Tronét, B. Wikström, F.
Hyresgästernas Sparkasse-och Byggnadsföreningars Riksförbund, HSB, Stockholm ...	Kypengren, S.
Kooperativa Kvinnogillesförbundet, Stockholm	Widhe, Mrs. E.

Switzerland.

Verband schweiz. Konsumvereine, Basle.....	Aeberhardt, F. Barbier, Ch.-H. Bolliger, F. Boson, M. Capitaine, G. Chautems, C. Debrunner, E. Dietiker, H.
---	--

Switzerland—(continued).

Verband schweiz. Konsumvereine, Basle
(continued).....

Ensner-Ritter, E.
Handschin, H.
Hauert, A.
Herzog, E.
Kahn, H.
Loss-Frey, Frau E.
Meyer, A.
Naef, E.
Nicod, W.
Reinle-Denzler, A.
Rudin, H.
Saenger, A.
Steinmann, P.
Suter, H.
Thommen, Frau B.
Vuilleumier, A.
Ziegler, Frau G.
Zopfi, Frau A.

U.S.A.

The Co-operative League of the U.S.A., Chicago

Anderson, Mrs. L.
Ashelman, S.
Booker, R.
Brown, W.
Campbell, W. J.
Culbreth, H. W.
Faris, H.
Grady, P. D.
Heino, J.
Hutchinson, H.
Hyltin, M. G.
Jacobson, G. W.
Kehn, T.
Koski, J. W.
Kyle, J. K.
Landesberger, A.
Lincoln, M. D.
Marble, A. W.
Mellen, J.
Miller, M.
Nelson, R.
Peterson, B.
Rennie, R. A.
Robotka, F.
Rondeau, F. F.
Rose, A. G.
Rowley, R.
Scarff, M. M.
Scull, D.
Smaby, A. J.
Stanfield, D.
Spencer, G. L.
Strandquist, A.
Svendsen, H.

U.S.A.—(continued).

The Co-operative League of the U.S.A., Chicago
(continued).....

Syrjala, S.
Valko, L.
Van Newkirk, G.
Varian, R.
Voorhis, J.
Ward, W.
Wood, R. W.
Woodcock, L. E.
Zuern, F.

Consumers' Co-operative Association, Kansas
City.....

Cowden, H. A.
Schulte, J. L.

U.S.S.R.

All-Russian Central Union of Consumers'
Co-operative Societies of the U.S.S.R. and
R.S.F.S.R. "Centrosoyus," Moscow.....

Artemov, V. L.
Alekseeva, Mrs. M. P.
Babaev, A. G.
Bokov, G. A.
Fedorets, Mrs. A. V.
Galakhova, Mrs. E. A.
Gorelovskaya, Mrs. M. I.
Isakova, Mrs. G. K.
Kistanov, Y. A.
Klimov, A. P.
Kondratov, V. P.
Kovan, I. L.
Kozlov, A. G.
Kelareva, Mrs. E. A.
Krayushin, T. S.
Kulikov, S. N.
Lyarskaya, Mrs. V. A.
Lyubimov, A. V.
Mukke, M. I.
Nikolaevna, M. A.
Sai, N. P.
Shiryayev, N. K.
Timofeev, D. S.
Trubitsin, V. I.
Utkin, M. G.
Vaino, V. I.
Vartanian, D. S.
Vazhnik, Y. Y.
Yunusov, K. Y.
Zagulina, V. S.

Yugoslavia.

Glavni Zadruzni Savez FNRJ, Belgrade

Raos, A.
Popovic, V.

Proceedings
of the Twentieth Congress
of the
International Co-operative Alliance

FIRST SESSION

Sunday, 4th August, 1957

The Opening of Congress

The Twentieth Congress of the International Co-operative Alliance opened in the beautiful central hall of the Konserthus, Stockholm, in a setting that was at once picturesque, impressive and dignified.

Above the spacious platform, flanked by clusters of rainbow flags, hung a huge infinity sign symbolising the "No Frontiers" theme of the brilliant exhibition that *Kooperativa Förbundet* had organised in connection with the occasion and setting as it were the key note for Congress itself.

In addition to representatives of the Swedish Government and the City of Stockholm, the platform was graced by the presence of a number of other distinguished guests, including representatives of the Governments of Belgium, Finland, the Federal Republic of Germany, Great Britain, and the U.S.S.R., and of several Governmental and Non-Governmental International Associations.

Six hundred and twelve delegates from 31 out of the 41 countries represented in the Alliance packed the body of the hall which was gaily bedecked with the multi-coloured flags of the nations. Many of the delegates came from overseas Co-operative Organisations which had never previously been represented in Congress and their presence contributed greatly to the truly international atmosphere that was evident when the President, Mr. Brot, declared the Congress open.

Welcome on behalf of the Swedish Government.

Mr. Herman Kling (Minister without Portfolio): The Swedish Government is glad to convey its greetings to the International Co-operative Alliance now opening its 20th Congress here in Stockholm.

The Alliance comprises, as we know very well, national co-operative organisations in various fields of activity in all the five continents. It has developed into an influential factor in forming world-opinion and its voice has been raised in favour of an expansive world economy, of liberalisation of world trade, of international economic collaboration and solidarity, in efforts to assist economically less advanced countries; in short, in favour of all joint international economic efforts contributing to world peace. It occupies a seat as an appreciated consultant non-governmental organisation in the Economic and Social Council of the United Nations. There it represents the consumers' interests and the interests of the small producers in handicrafts and agriculture.

On the agenda of this Congress we note with satisfaction a number of urgent international problems which can be brought nearer to their solution only by intimate co-operation between Governments and their joint international agencies on the one hand and, the world organisations of great economic and social popular movements on the other. International economic collaboration is one of the essential tasks of the Alliance and proposals for its implementation in practice will be dealt with by this Congress. I believe that international co-operative enterprise of this kind is not designed to serve only the members of the movement but all national economies as such. International co-operative agencies working in this spirit will be able, it seems to me, to make a valuable contribution to the efforts to expand production, to shorten the channels of international trade, to cut down the machinery needed, to save costs and to counterbalance restrictive trade practices, nationally and internationally.

The attitude of the Swedish Government is very positive in matters concerning liberalisation of international trade and it appreciates all initiative which aims at greater freedom of world trade. On behalf of my Government, therefore, I sincerely wish the International Co-operative Alliance all success in its work.

Welcome on behalf of the City of Stockholm.

The President: I call on Carl Albert Anderson, President of the Municipal Council of Stockholm.

Mr. Carl Albert Anderson: As the representative of the City of Stockholm and its inhabitants, it gives me great pleasure to welcome the International Co-operative Alliance to Stockholm. In an international gathering such as this, where men and women from different countries and with varying backgrounds and experience must, in a period of a few days, endeavour to work out a practical policy for implementing their aims and ideals, there is a great deal of work to be done. I sincerely hope, however, that all this will take place in a congenial atmosphere and that Stockholm will provide a working milieu which will facilitate and indirectly contribute to the success of your efforts. In this conception of your milieu I obviously include not only this Concert Hall and its surroundings but equally the City of Stockholm itself and all that it has to offer you in the form of light, space, beauty and friendliness.

I hope that you will have time to visit the old town and the hills round the city and enjoy the captivating views which you will get there. I hope that you will stroll also through the parks of the city and through the streets, to see how we

shop and also how we are carrying out demolition to make room for more modern buildings. I hope that you will cross our great bridges and go to the suburbs, where the town planners are endeavouring to provide each suburb with its own social and commercial life. Often when strolling round our city you will find yourself admiring the water which is everywhere and which makes Stockholm unique among the capitals of Europe. Stockholm is a city of many bridges and modern architecture, and on its waters you will see thousands of small boat owners hoping to enjoy a sunny weekend, while around them in the town men are struggling to build our new underground railway. You will see where the fresh waters of Lake Malaren join with the salt waters of the Baltic Sea. I trust that our city will provide a good working environment for this Congress, and on behalf of the City of Stockholm I bid you a hearty welcome and offer you our best wishes for a successful Congress.

Welcome on behalf of Kooperativa Förbundet

The President: All the delegates will have already succumbed to the charm of Stockholm. I now call on Mr. Albin Johansson to offer a welcome on behalf of Kooperativa Förbundet.

Mr. Albin Johansson: On behalf of Kooperativa Förbundet I have the very great honour to welcome you here to-day. It is a great pleasure for us that the 20th Congress of the I.C.A. has chosen to meet in this country. Thirty years ago I spoke from this platform on the occasion of the 12th Congress of the Alliance to wish it welcome to Stockholm. To-day there are several others present who attended that Congress, and it is a great pleasure to me to mention some of their names, first and foremost that of Marcel Brot. He was a representative, in 1927, of the central French Co-operative organisation, and we are happy to welcome him here to-day as President of the International Co-operative Alliance. Miss Polley is present to-day as General Secretary of the I.C.A., and she was present in 1927 as the secretary of Mr. Henry J. May.

Furthermore, at the Congress in 1927 the following gentlemen, who are here to-day, were present as delegates. From Denmark, Dr. Arnfred, Mr. Drejer, Mr. Fabricius and Mr. Dalgaard; from Germany, Mr. Everling; from France, in addition to Mr. Brot, there were Mr. Bricout, Mr. Degond and Mr. Hirschfeld; from Sweden there were Mr. Gustav Andersson and Mr. Gjores. There were also representatives from Czechoslovakia and from the Argentine. Other participants in the 1927 Congress are still alive, and I take the opportunity to tell this Congress that Kooperativa Förbundet would like to send its greetings to all the participants in the 1927 Congress who are still living. Most of those who attended that Congress in Stockholm have probably passed away.

In the Report of the Central Committee mention is made of those who have died since the last Congress. Those who were present in 1927 and are here to-day are living examples of the continuity of the International Co-operative Movement. This fact shows how the International Co-operative Movement has found it possible to keep together even in times of great difficulty, and our thanks go out to them.

At the previous Congress of the I.C.A. in Stockholm I gave some information about the extent and organisation of Co-operation in our country. Since that time the number of members has gone up from 330,000 to 1,150,000; capital has gone up from under 3,000,000 Kr. to 873,000,000 Kr. and the total turnover of Co-operatives from 265,000,000 Kr. to about ten times that figure. The wholesale turnover has gone up from 104,000,000 Kr. to 935,000,000 Kr. and the production of K.F. itself from 40,000,000 Kr. to 883,000,000 Kr. Since 1927 K.F. has succeeded in serving the interests of the consumers to a much greater extent, and we have found it necessary to expand our activities in every field. That will be obvious from the figures which I have just given you.

We started our own factories and mills and soon found that we could not satisfy demands for all the products. We found it necessary to devote further attention to this question, and K.F. started a rubber factory. At that time we wanted to satisfy the demand for rubber soles, and also later on for tyres. We continue to expand our activities in this way and from the present extent of our production you can see that we were successful in maintaining a high standard of expansion. When we started in different fields, we soon found that it was necessary to expand even further. In the manufacture of margarine we had to expand very quickly and to buy many new factories. We met with competition from other margarine makers, and chiefly from the Unilever concern. We found that we had either to buy our raw materials from our competitors or to supply ourselves with what we needed. At that time there was only one oil refinery in the country and the production was very low, but now it has risen enormously, showing the advantage to the consumer of K.F. starting factories of its own and not buying raw materials from its competitors.

During the second world war, K.F. started to produce nitrogen for fertilisers and tried to meet the needs of the country. We had often to get the raw materials from non-co-operative concerns, but we have been able since then to supply 50 per cent of the needs. I mention this to show you how necessary it has been to increase the total production of K.F.

We have the right to demand that the economic basis of co-operative societies in Sweden shall be protected. The material success of the movement has been very considerable. This is not surprising, because our country has had the good fortune to stay outside two world wars. The Fascist regime in Italy which spread to Germany and produced a similar regime there did not affect us. We were hoping for the opportunity to co-operate across the frontiers of all countries, but evil times prevented this and the favourable developments for which we hoped did not take place. All such hope was taken from us during the Hitler regime in Europe. I have no right to speak here at any length on these questions, but I should like to draw your attention to the fact that at almost every congress of the I.C.A. we talk a great deal about the importance of peace and freedom and put them in the forefront of our speeches, and we are right in doing so. In the years before the first world war the I.C.A. chairman, Mr. Aneurin Williams, made an appeal to the co-operators of all countries in the world and said, "The International Co-operative Alliance forms the nucleus for world co-operation and we expect that in the course of the 20th century we shall have a splendid evolution in this respect." This co-operative world has of course been our aim, and in spite of very great difficulties we maintain this aim.

Our International Co-operative Alliance is, of course, based on quite different foundations from all the empires which have existed up to now. Our empire can be built up only in freedom and peace and by solidarity of the peoples of the whole world, of all humanity. Towards its establishment we must all contribute, so as to produce better conditions for the whole of humanity.

From the material point of view we have had considerable success, but unfortunately we have not met with similar success when it has been a question of realisation of our ideals. The intellectual forces of the world are not so easily influenced. We have created a gigantic enterprise but we have not in every way achieved our aims. We still have a great task before us. We must strive to create an organisation which will allow us to achieve the aims which were set before us in 1927, the aim of having a co-operative movement based on democratic principles and the aim of developing enterprises in the spirit of co-operation everywhere in the world. Expression has been given to this idea of international co-operation devoting itself to building up such an organisation that small groups can make their claims heard.

This gives rise to a problem to which we have to pay the greatest attention. Large enterprises may be set up and may contribute towards raising the standard of living. Economic life can be developed within other national organisations. No other form of enterprise than the co-operative, however, can serve and influence human beings and bring to their knowledge our ideals and serve the purpose of humanity, providing the necessary conditions for real economic democracy.

If we succeed in educating our members, our movement will grow in force so that we can eliminate the barriers and frontiers between the countries of the world, not with the sword, not by force, not with the aid of atomic energy, but through democracy and the power of right. Thus we can establish the foundations of freedom and peace. The pre-requisite for this is to remove the frontiers between our countries. That is the aim of our International Co-operative Alliance, and in that way we can serve the cause of freedom and peace. I ask you to do all in your power to open up the frontiers between nations, so that we can all become good friends. That is the aim to which we should devote our efforts.

I wish to say once again that you are all heartily welcome.

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Inaugural Address of the President of the I.C.A.

Mr. Marcel Brot: Fellow Co-operators. In opening the 20th Congress of the International Co-operative Alliance, my first thought is of him who should have occupied this chair and who has been taken from us by death. Later in the Congress proceedings we will render to the memory of Sir Harry Gill the tribute of gratitude which we all feel.

To our friends the Co-operators of Sweden I wish to say that their invitation to meet at Stockholm has evoked an enthusiastic response from the Co-operators of every country.

The extraordinary beauty of Sweden and the cordial hospitality of its people are not the only reasons for this. The renown of your democracy, impregnated with the Co-operative spirit, and your bold achievements have inspired Co-operators to seek with you Swedish friends that human contact without which Co-operative activity cannot be fully understood.

The position of the Swedish Co-operators in the vanguard of the Movement emerges clearly when we recall the Congress which was held in this very hall 30 years ago.

The outstanding feature of its agenda was the paper presented by Albin Johansson on "Problems of Modern Co-operation" and it is once again Albin Johansson who seeks, in his paper for the present Congress, to reveal new horizons to us.

During the 30 years which have elapsed between the two Congresses at Stockholm, the world has been the scene of tragic events. In 1927 the Co-operative Movement of Italy had been suppressed by dictatorship. Nevertheless, Ernest Poisson, who presided, was able to salute as a great success the invitation of the League of Nations to the International Co-operative Alliance to take part in the International Economic Conference at Geneva.

At Vienna in 1930 the first tremors of the world economic crisis were felt and at London, four years later, President Väinö Tanner summed up the tragic results. He denounced the policy of autarchy which was simultaneously dislocating the international exchanges and creating unemployment and general impoverishment. Meanwhile, political events made the situation even worse, and the German Co-operative Movement was also suppressed.

Then, after the Paris Congress, came the supreme test of the war from 1939 to 1945. We came together again at Zurich where Lord Rusholme pointed out the lessons to be learned from those tragic years and expressed our dismay at seeing mistrust again springing up between national Governments. He showed how necessary it was to mobilise for peace and rejoiced that the Alliance was one of the first international organisations to be admitted to consultative status by the Economic and Social Council of the United Nations.

At Prague and Copenhagen, the Congresses defined the attitude of the Alliance to the relations between Co-operative organisations and the State.

We declared that Co-operation can only display its true character where freedom prevails.

The last Congress at Paris considered with greater realism the vast problem of the economically less-developed countries, to which we return this year for a closer examination of the practical work to be undertaken.

Recalling the 30 years which have elapsed between the two Stockholm Congresses you will feel, as I do, a great confidence in the future of an Alliance which has passed through such dramatic events without disintegrating.

Like an ark borne on raging seas, under skies darkened by the murderous rage of mankind, it has weathered the fearful tempest undamaged. In every part of the world to-day, men can hear its call to unite in liberty.

But if we turn to the past to study lessons, if through our daily practical work our ideal is made a reality, if the purpose of our Congresses is to examine our experience and our methods, they must above all face the future.

Two facts of capital importance impress those who seek to forecast the evolution of the problems of mankind.

The first is the awakening of those peoples who are living in economic conditions little better than poverty and are seeking their political liberation.

This liberation will be only an illusion if it is not accompanied by economic independence, and this can only result in the main from the efforts of the people themselves.

The great mission which the Alliance has undertaken is to teach the most poverty-stricken of people how they can save themselves and improve their conditions through Co-operation.

The technical assistance which the Governments of certain countries provide is not always innocent of calculation with a view to increasing their political influence.

It is above all with the organs of the United Nations that our Alliance must work in this field, so that those whom we approach can grasp our hands in confidence.

The second fact consists in the application of atomic energy to peaceful ends.

We have pointed to the dangers to the peace of the world arising from the monopoly of sources of energy and raw materials.

With the same watchfulness the Alliance must follow the development of the industrial revolution to come, if we desire that its economic and social consequences shall be beneficent to all men.

Our Alliance will be able to adapt itself to future conditions, just as it has been able in the past to admit all forms of Co-operation and extend its influence to every continent.

Co-operation, as a living movement, must constantly renew its methods.

But let us never forget that the light of the Alliance would be rapidly extinguished if it allowed the vital Principles which are the reason for Co-operation's very existence to be undermined.

If we so often recall the rules formulated at Rochdale, it is not in order to entrench ourselves in tradition, but because the Alliance could be quickly reduced to a body without a soul if it did not demand from all its members the rigorous observance of the principles of free association and justice.

It is in this spirit that the 20th Congress will carry out its work.

The whole agenda looks towards the future. The twofold evolution of the Alliance towards diversity of membership and world-wide expansion is exemplified by the new members who have been admitted during the last three years.

From Belgium, Switzerland and France have come various organisations from the fields of production, banking and pharmacy, whilst the Canadian Co-operative Council in Quebec has joined us with the full agreement of the Canadian Co-operative Union.

The other new members add six more Asian, African and American countries to those represented in the Alliance. Rarely has an International Congress brought together so many young organisations as recent recruits to the Alliance.

We desire to continue in every part of the world this propagation and extension of Co-operative Movements which are genuinely voluntary and free. That is why a place of such importance has been assigned in this Congress to the three papers on Technical Assistance.

The business activities proper to Co-operation are the subjects of two papers. By accepting the Memorandum on "Management in our Times" we have declared our belief that co-operative democracy can only live by seeking constantly the greatest measure of practical efficiency. Another paper deals once again with the problems of inter-Co-operative trading relations. So far the efforts made in this direction by the national central organisation have failed to surmount the obstacles to international exchange.

Nevertheless a new factor has appeared. Confronted by the formidable danger resulting from the division of the world into two opposing blocs, the nations of Western Europe are taking counsel together. They recognise the necessity of breaking down the economic barriers which keep them apart. They hesitate only before the comparative advantages offered by the Common Market of six countries, the Scandinavian Common Market and the Free Trade Zone.

Whatever institutions are set up under the Treaties, however, they will be exposed to the pressure of trade associations and international monopolies. It will be the role of the Co-operative Movements of the countries concerned to defend the rights and interests of the great body of consumers and small scale producers who are combined in Co-operative societies. The Alliance, which at all times has stood for the free circulation of goods, people and ideas, can only welcome this first step towards such a union of nations by peaceful means.

Unfortunately we know only too well that all the efforts put forth to raise the material and moral level of human life can be frustrated by renewed conflict even though no atomic bomb may explode in the skies above.

With the paper by Albin Johansson we return once more to the action of the Alliance for the promotion of peace. From this assembly, which can speak for 125 million families in all parts of the world, shall go forth not only a petition to the governments of the nations but also a solemn appeal to reason, and positive suggestions for reconciling the economic rivalries which give rise to war.

Men and women of every race, every creed and every shade of opinion, brought together in this hall by belief in a common ideal, let us set about our task of securing well-being and justice on the basis of freedom for all mankind.



here quite a number of co-operators and co-operative officials from countries overseas. They have a special interest in this Congress, and we hope that the co-operative organisations which they represent, if they are not to-day members of the Alliance, will before our next Congress be member organisations and have their place in the Congress. There are a group of students, 26 in number, from the course arranged annually by the I.L.O. and Denmark. There is a group of 15 French Canadians who come from the Conseil Canadien de la Coopération, to which Mr. Brot referred. We also have representatives here from Burma, India, Indonesia, Jamaica and Thailand. I have the privilege, in the name of the Central Committee and of the Congress, to offer a special welcome to them. We hope that they will be impressed by the Congress, and that our relations with them and their countries will become ever closer. (Applause.)

Greetings from International Organisations

Mr. David Owen, United Nations : I have great pleasure in bringing you the greetings of Mr. Dag Hammarskjöld, the Secretary-General of the United Nations. I am bidden by the Secretary-General to express to you his warm greetings and good wishes for the success of the deliberations upon which you are now embarking.

We in the United Nations have great appreciation for the close association of the International Co-operative Alliance and the United Nations, and in particular the association of the Alliance with the work of the Economic and Social Council and its committees and commissions. It will be my privilege to have the opportunity of speaking about our common interests in the great question of raising the standard of life and welfare in the lesser-developed countries and territories of the world. It is sufficient now to say how much we in the United Nations welcome the great growth of interest in this subject amongst the world's co-operators. For myself, I cannot resist the temptation to recall my own happy association with one of your own and most useful pioneer efforts in this field, the regional seminar on co-operation organised by the Alliance in Jamaica for the Caribbean countries some years ago. It was a most moving experience, full of promise for the future of this kind of endeavour.

It is impossible to refer to all the subjects which have been matters for close co-operation between the Alliance and the United Nations, but two stand out, community development and housing. I hope that it will be possible during the course of this Congress to say a little about the work which is being done on these two subjects in co-operation between the organs of the United Nations and the Alliance. I should like, as a pendant to this greeting, to speak on behalf of a body within the secretariat of the United Nations. I refer to the secretariat for co-operatives. This is a small body compared with the great co-operative bodies of the world, but I am particularly charged by the Board of the United Nations Co-operatives to send their special greetings from the many co-operatives within the secretariat, coming from many lands, for the success of this Congress.

Lastly, let me say a word of personal thanks for your invitation to me, as the executive chairman of the Technical Assistance Board of the United Nations, to take part in your deliberations. The association between your great organisation, and the organisations which you represent in many countries, and the work of

Reception of Fraternal Delegates and Guests.

The President: I call on the General Secretary to introduce the fraternal delegates and guests.

The General Secretary: You will see that at this 20th Congress of our Alliance we are honoured, as usual, by the presence of a number of representatives and guests from other countries. First of all, we have with us as personal guests this morning Mr. Väinö Tanner of Finland and Lord Rusholme, two former presidents of the Alliance. Those of us who have had the privilege of working with them greatly rejoice to see them here to-day, taking all their former interest in the work of the Alliance. We can only hope that they will feel that the work to which they so ably contributed is now being carried on along the lines which they themselves followed. We also have as a personal guest Mr. Thorsten Odhe, the former and first Director of the Alliance, the predecessor of Mr. Watkins.

We have, too, representatives of several governments of countries in which the Alliance has member organisations. From Belgium we have Dr. Raskin of the Ministry of Economic Affairs. From Finland we have Mr. Heikki Hannikainen, Chargé d'Affaires at Stockholm. From Federal Germany we have Mr. Bomcke, Counsellor to the Ministry of Economics at Bonn. From Great Britain we have Mr. A. G. Wallis, who is representing the British Ambassador to Sweden. From Iran we have Mr. F. Taleb-Beigi, the chief of the Co-operative Department of the Ministry of Labour. From the U.S.S.R. we have Mr. Gusev, Ambassador to Sweden, and from Bulgaria we have Mr. M. Temnelov.

We have also representatives from the international organisations with which the I.C.A. has very close relations. From the United Nations we have Mr. David Owen, who, as you know, is the author of one of the group of three important papers to be presented later to the Congress, and who is accompanied by Mr. J. A. Lindstrom. From the International Labour Office we have Mr. S. N. Roy, who is chief of the Division of Co-operation and Handicrafts. From UNESCO we have Mr. Sven Arne-Stahre. From the F.A.O. we have Mr. G. St. Siegens, and from the World Federation of the United Nations Associations we have Professor H. Eek. From the European Confederation of Agriculture we have Dr. L. Strobl, who is also a delegate to the Congress. From the International Chamber of Commerce we have Mr. Anders Hedberg and from the Organisation for European Economic Co-operation we have Mr. O. Rydeng. From the International Centre of Research and Information on Collective Economy we have Professor Edgard Milhaud. From the International Co-operative Women's Guild we have Mrs. Cecily Cook.

On the platform we have the ladies and gentlemen who are members of the Congress Reception Committee and who have made such wonderful arrangements for your stay in Stockholm. They have arranged a suitable congress setting and have provided for all the other features which you will enjoy during the week.

With the permission of the President, I should also like to mention a group of visitors we have with us to-day. Mr. Brot has already called your attention to the new organisations in the distant countries, the young co-operative organisations which have come into membership with the Alliance since our last Congress. In addition to the official delegates from those organisations, we have in the balcony

providing technical assistance for the less-developed countries of the world is perhaps one of the most important features of our common association. I look forward to participating personally and fully in the deliberations which are to follow.

Mr. S. N. Roy, International Labour Office : On behalf of the Director-General of the International Labour Office, I bring to this, the 20th Congress of the International Co-operative Alliance, his cordial greetings. He is very sensible of the invitation that the International Co-operative Alliance has been pleased to extend to the I.L.O. on this occasion.

The Co-operative Movement has long historical roots and has proved itself to be a valuable instrument for economic and social progress. The I.L.O.'s interest in it arises from its declared objective of improving the conditions of life and work of people everywhere. Since its very early days, nearly 40 years ago, it has been following very closely the development of the movement and been trying to further its growth through international action.

The International Co-operative Alliance occupies a unique position in the world Co-operative Movement and it was, therefore, natural that the two organisations, with their common interest, should get together at an early stage. In fact, the first Director of the I.L.O. was a member of the Central Committee of the I.C.A. and continued to take a personal interest in the affairs of the Alliance. The I.C.A. was also one of the earliest of the non-governmental organisations to be admitted to consultative status with the I.L.O. The two organisations have met together from time to time to discuss their working relations. The last such meeting took place in 1956 with, I believe, mutually satisfactory results.

As the Director-General of the I.L.O. told the I.C.A. deputation on that occasion, the I.L.O. recognises the rich fund of experience built up by the Alliance in matters relating to Co-operation in general and to co-operative housing and workers' productive co-operatives in particular, and would be ever ready to seek its advice in such matters.

In the economically under-developed areas of the world, there is a growing realisation to-day that Co-operation can make a valuable contribution to economic and social progress, and there are many demands on the I.L.O. for technical assistance in this field. The I.L.O. is trying to respond to these requests to the best of its ability and the limit of its resources. Thus, under the extended programme of technical assistance, it has provided expert assistance in various branches of Co-operation—legislation, education, banking and credit, co-operative wholesale and industrial co-operatives, etc.—to a number of countries in Asia and to some countries in Central and Latin America. In addition, it has organised a series of regional seminars on Co-operation in Asia and in collaboration with the United Nations, the Food and Agriculture Organisation and the Danish Government, a series of inter-regional seminars in Denmark for training top level co-operative personnel from all parts of the world in the principles and practices of Co-operation. Proposals to hold two technical meetings, one in Africa and the other in the Near and Middle East, in collaboration with other international organisations, are currently under consideration. The need for technical assistance is, however, so great and the demands so many that it is felt that this could well be a field in which the I.L.O. and the I.C.A. could usefully collaborate.

It was, therefore, with pleasure that the I.L.O. learnt of the decision of the last Congress of the I.C.A. (Paris, 1954) to embark upon a programme of more active assistance for the promotion and encouragement of the Co-operative Movement. It has noted that the I.C.A. Executive has since decided that action will be centred mostly on co-operative education, propaganda and training and that it will not compete with the work of the inter-governmental organisations but rather supplement their plans and programmes. The I.L.O. also welcomes the decision of the I.C.A. to convene a regional conference in Asia in 1958.

Finally, permit me to say that I consider it a great privilege to be present at this Congress and, on behalf of the Director-General of the International Labour Office as well as on my own behalf, I wish you all success in your work.

Mr. Sven-Arne Stahre, UNESCO : "Co-operation" is a noble and inspiring word. It implies understanding, consideration towards others, the recognition that nobody is alone in this world, that we all belong together and are depending on each other.

The International Co-operative Alliance and its affiliated organisations belong to the forces in the world of to-day which strive to realise the ideals of Co-operation through practical work and idealistic endeavours. This creates a natural and direct link between the organised Co-operators of the world and the international organisation which I have the honour to represent at this Congress. UNESCO tries, in collaboration with its member States and various international organisations such as the International Co-operative Alliance, to further the ideals of peace and co-operation by working for a higher standard in the fields of education, science and culture.

In past years UNESCO has had many opportunities for working together with you through the International Co-operative Alliance, and this co-operation has emanated from a series of initiatives by the I.C.A. Thus, for instance, UNESCO has been able to give financial support to many groups of Co-operators who have travelled abroad to meet colleagues and study co-operative activities in countries other than their own. Further, UNESCO has co-operated with the I.C.A. in the planning and organising of a number of training courses where participants from Co-operative Movements in different countries have met to study and discuss Co-operative and international problems. UNESCO has been especially impressed by the role that women Co-operators have played at such courses. UNESCO has also co-operated with the I.C.A. in efforts to initiate and stimulate co-operative activities in countries and regions of the world where such ideas have not yet taken root.

Already these examples of contacts existing between the I.C.A. and UNESCO indicate that UNESCO is fully aware that the Co-operative Movements by no means concentrate their work solely on economic organisation and trade. True Co-operators are aware of the importance of an improving standard for all the peoples of the world, in the fields of education, science, and culture. They know that poverty and ignorance are great threats to peace and freedom. Besides, it should be recognised that training in practical Co-operation and economic administration which is obtained by members taking an active part in the everyday

work of co-operative societies all over the world is in itself an enormous educational achievement in a democratic spirit. It is, in itself, an application of the modern pedagogical principle of "learning by doing."

To me personally, having for many years served in the Swedish Co-operative Movement, it is a deep satisfaction to meet again at this Congress many colleagues and friends from Sweden and other parts of the world, and to be able to assure all of you, as a representative of UNESCO, that this organisation has the highest esteem for your work and regards co-operative activities in different fields of life and in different parts of the world as entirely in line with the ideals for which UNESCO works. It is the hope of UNESCO that the friendly contacts between UNESCO and the Co-operators of the world will develop more and more in the future, giving practical results and inspiring men to give their efforts to the common welfare of mankind.

It is an honour to me to convey to your Congress the heartiest greetings and wishes for great success from the Director-General of UNESCO, thanking you at the same time for your kind invitation to UNESCO to send a guest to your Congress. I shall follow the proceedings and discussions at this important meeting with the greatest interest and eagerness to learn from you and to go back from here with new inspiration in my work at UNESCO in the field of adult education.

Mr. G. St. Siegens, F.A.O. : It is a great honour and a special pleasure for me to address the Congress on behalf of the Food and Agricultural Organisation. From the beginning of its existence, F.A.O. recognised that co-operative societies are one of the more successful means by which communities in economically less developed countries can be organised to increase production and improve their conditions of life. Accordingly, the F.A.O. has intensified, especially in the last few years, its efforts to promote the co-operative system, using various methods for that purpose, including technical assistance to member governments, training centres, the award of fellowships, publications and so on. In all this work F.A.O. collaborates with other inter-governmental agencies such as the I.L.O. and UNESCO, as well as the organisations of a national character, and at supra-national level with organisations such as the International Co-operative Alliance.

I should like to emphasise once again the need for greater attention to the organisation of agricultural co-operatives, especially in the economically less developed regions of the world. We believe that many of the farmers' problems in connection with the distribution and marketing of agricultural products can be solved through agricultural Co-operation. It is a great satisfaction to F.A.O. to see that its work in the field of agricultural Co-operation in various aspects is complemented by the I.C.A. There is, however, still scope to strengthen the collaboration between our two organisations, in order to find methods and solutions on a co-operative basis for the benefit of the people as a whole and of farmers in particular. F.A.O. is grateful for the support of the International Co-operative Alliance and for the work it is doing for the solution of co-operative problems and hopes that this Congress will be successful in every respect.

Professor H. Eek, World Federation of United Nations Associations : I have the great honour to transmit to you at this 20th Congress of the I.C.A. greetings

from the World Federation of United Nations Associations. I bring you these greetings from men and women in Asia, Africa, America and Europe—in fact, from individuals living in all parts of the world.

There are several differences between our two organisations. Yours is more than 60 years old, a veteran in this, on the whole, quite new field of world-wide co-operation outside governments. While the W.F.U.N.A. necessarily takes an immense interest in every single aspect of the work of the United Nations, the Alliance has a more limited or more precise field of action and is therefore more close to the ground. Your interests prove it.

Both organisations, however, bind individuals together. Their common work ignores and gradually destroys the State-made barriers which still divide the peoples. All over the world, joint organisations such as ours are looking towards a world without frontiers.

The World Federation of United Nations Associations wishes to congratulate the International Co-operative Alliance on its achievements in the past and on its programme for the future. We notice with great satisfaction the prominent place which is given in the Agenda of this Congress to the problems which arise in the lesser-developed countries in regard to economic development and peace.

Mr. Anders Hedberg, International Chamber of Commerce: The International Chamber of Commerce has asked me to convey its hearty greetings and best wishes to the International Co-operative Alliance. As everybody knows, the International Chamber of Commerce is a federation of National Committees bringing together producers and consumers in collaboration with experts from 57 countries. In working for the expansion of world trade the I.C.C. is acting not only in the interests of the business community but for the prosperity of all. Within the I.C.A. and I.C.C. we are, I am sure, convinced that it is best for different forms of organisation not to fight or ignore each other but to search for common solutions and for collaboration wherever that is possible. When the I.C.C., for example, presented a standardised interpretation of the most commonly used trade terms, such as, "c.i.f.," "f.o.b." and so on, or when a code of standards for advertising practice was drawn up, this was evidently of interest to trade in whatever form it might be organised.

The I.C.A. and the I.C.C. have in fact many objects in common. These two influential organisations are working for economic progress. Both strive to increase efficiency in distribution and production; both try to further the free exchange of products, ideas and methods.

Much of the work of the International Chamber of Commerce is performed by some 30 permanent technical commissions, dealing with a multitude of problems of economic and financial policy, transport and communications, law and commercial practice. It is, however, the commissions on production, distribution and advertising which collaborate most closely with the Co-operatives and with their spokesmen.

With the help of technical advisers, the Commission on Distribution has made inquiries, lasting for several years, into problems such as "Progress in the control

of purchases and stocks," "The status of consumer credit in the community," "Economic aspects of instalment sales," and "Governmental and other regulations affecting the distribution of goods and international trade." A special study has been made of proposals put forward by the United Nations for the elimination of restrictive business practices, a problem of great interest to Co-operatives.

Another more simple but most important field in which Co-operatives and the I.C.C. have joint interests and do collaborate is the promotion of comparable terminology in the field of distribution statistics, so that we know what we are talking about when we use the figures.

The International Chamber of Commerce co-operates with a number of inter-governmental organisations. There are also some 40 non-governmental organisations which work with the I.C.C., and among them the I.C.A. is one of the most important. The good contact which exists between you and the I.C.C. is illustrated by the fact that it is a servant of the Co-operative Movement who is now fulfilling a pleasant and honourable task in expressing the good wishes of the International Chamber of Commerce to this great Congress.

Mr. O. Rydeng, Organisation for European Economic Co-operation : On behalf of the Secretary-General of the O.E.E.C. and the Director of the European Productivity Agency I want to extend our thanks for the kind invitation to participate in your Congress. We have only European member countries, whereas your organisation, of course, is world wide. Europe is to-day at the beginning of perhaps the most interesting development in its economic history, where no country can any longer keep itself isolated from other countries. I should like to take this opportunity, however, to bring up a point about international co-operation which has not yet been fully understood or accepted in most circles.

Everybody to-day is talking about the necessity of international co-operation between the European countries, but very few actually realise what international co-operation in practice means. There is no doubt that the kind of international co-operation which we have had so far between the Western European countries on the one side and the U.S.A. on the other has given us a picture of international co-operation which is not representative, because it has been a one-way street, with the European countries always in the receiving position and never being able to offer anything. In the future, however, we shall have to depend more and more on ourselves, and that will also mean that the European countries will have to enter into a kind of international collaboration in which there is both giving and taking. This means in most cases for a given country effort, trouble, considerable expenditure and time, and it will be necessary in the future to bring about a true understanding of what efficient international co-operation really is.

So far in the European Productivity Agency we have had very active collaboration in the different countries with co-operative societies on productivity matters. They have always been amongst the first to participate in all the different projects which have been organised in co-operation with the national productivity centres, and it has been most inspiring to see how it has been possible in many countries to create not only a better understanding but even collaboration between Co-operative Movements and independent distributors when we are dealing with purely

functional and technical problems. I want to repeat, however, that in the future we shall probably come back and ask the co-operative societies in several countries to help the less developed countries in Europe in a really efficient manner, which means that we should like to see the co-operative societies receiving visitors or traders from other countries, or sending some of their own people to give advice and help to other countries, with no consideration as to whether this help is being given to co-operative societies or independent enterprises. In the hope that we may in the future count on your efficient co-operation, I once more thank you for the opportunity which you have given us to be present here and express our point of view.

Professor Edgard Milhaud, International Centre of Research and Information on Collective Economy : The I.C.R.I.C.E. sends the 20th Congress of the I.C.A. its greetings and good wishes. It owes a debt of special gratitude to the Co-operative Movement, which played a leading part in its creation in 1947, and then in its development, in the creation of its national sections and in the organisation of its international conferences. The I.C.R.I.C.E. also owes the Co-operative Movement a debt of respect and admiration for the magnificent spectacle, equal to the sublime spectacles of nature herself, of the constant and extraordinary progress made throughout a century and more by a movement based entirely in each country on countless acts of determination and faith by the humblest of human beings who pinned all their hopes on self-help and mutual assistance.

To-day in some countries we have before our eyes the results of these obscure and innumerable efforts, a splendid achievement indeed. The most up-to-date equipment is at the service and disposal of this great community of organised consumers, and economic power in the hands of this community can break the dictatorship of cartels and trusts.

This debt of respect and admiration which the I.C.R.I.C.E. owes to the Co-operative Movement is also justified by the methodical spirit and the power and authority with which the Co-operative Movement succeeds in having its principles put into practice in the national councils of certain countries and in the United Nations Specialist Agencies. The I.C.R.I.C.E. is gratified to see the spread of the Co-operative spirit in its own organisations and in particular at its conferences and congresses.

Following the discussions at the Conference on Collective Economy held in Paris in May, 1955, five resolutions were submitted. They were all carried unanimously, which means that they were approved unanimously by a very large number of Co-operators who were attending the conference as delegates. The resolutions dealt with relations between the State and Co-operative undertakings, a subject on which Mr. Marcel Brot, the President of the Alliance, had submitted a report, and this was indeed a synthesis of all the resolutions adopted by the International Co-operative Alliance during the post-war period.

It is a fundamental characteristic of the I.C.R.I.C.E. that it brings together men whose lives are devoted to various sectors of collective economy as executives, workers, or representatives, and faces them with the great problems of collective economy or of economy in general. At the Paris Conference a representative of the

workers, in submitting his report on human rights in collective economy, had occasion in his conclusions to express his opinion on the significance of the contacts and exchanges of view thus made possible, and he said, "It is the great merit of the democracy which has always prevailed in our gatherings that it has made possible encounters and differences. We were not at first convinced that we were pursuing the same aims, but then we drew closer together and a certain spirit of solidarity grew up between us, what I would even call a spirit of friendship. We became certain that we were indeed all pursuing the two-fold ideal of organising society on a more satisfactory basis and of building up a world of free men. This moral force has been created, and great tasks await it. Let us, therefore, undertake to procure for our collective economy organisation resources in keeping with its aims."

Since these words were spoken a great step forward has been made. The fresh resources called for to back the permanent activities of the I.C.R.I.C.E. now seem to be available. In a few months, its permanent working body will be able, at Liege in Belgium, to take up its quarters in premises reserved for it in the future House of Collective Economy, which will be the first House of Collective Economy ever to exist in the world, a house which is now being built by a powerful group of inter-municipal associations. Thus the I.C.R.I.C.E., after its first 10 years of life, is now entering on a new stage in its development, with hopes for increased strength and fresh resources to help it to fulfil its destiny. It will be more able than ever before to serve in all sectors the great human ideals of collective economy, and more than ever before it will have in front of it the spectacle of co-operation with its boundless economic, social and moral horizons stretching out to infinity and the international harmonising of national interests, thereby permitting concord and peace.

At this moment, when the work of the 20th Congress of the I.C.A. is about to begin, the I.C.R.I.C.E. presents to the Congress its warmest and most heartfelt good wishes for complete success.

Mrs. Cecily Cook, International Co-operative Women's Guild : In bringing greetings to this great Congress of the International Co-operative Alliance from the women of the International Co-operative Guild I am conscious of a responsibility not only to convey cordial good wishes but also to indicate to the International Co-operative Alliance something of the deep sense of purpose which animates Co-operative women and which calls for greater opportunity of expression in the international field. Comparison between this gathering and that over which I have had the honour to preside during recent days emphasises the need to review the task which has been undertaken by Co-operators in the International Co-operative Alliance and the International Co-operative Women's Guild to work for the establishment of a Co-operative world.

I believe this to be a task for both women and men. I know that Co-operation is represented in the Alliance in various forms. I know, too, that women, as housewives, are mainly concerned with the consumer form. But consumer Co-operation is widely spread across the world. Whatever other forms of Co-operation may be practised, people everywhere, as consumers and women, as housewives, are a major factor in consumer Co-operation, which is based upon home consumption. Women, therefore, can give valuable service in extending

Co-operation and they themselves recognised this many years ago. Through that recognition the International Guild came into being and for more than 30 years it has worked to serve the cause of international co-operation. To-day over 200,000 women individually are actively engaged in voluntary service for the extension of Co-operative ideas and Co-operative practice by education. This educational work reaches out to women members of co-operative societies in 21 countries linked in membership in the I.C.W.G. But there are many countries where there is no organisation of Co-operative women, and educational work for Co-operation develops very slowly in such countries.

We believe that while women everywhere are at a disadvantage either legally, economically, or socially, special provision for their education in Co-operation such as the Guild provides is the best means for such education. The members of the I.C.W.G. desire to see Co-operative educational work for women in every country within the I.C.A. and they are aware of their own responsibility in this matter. But because of limited resources they are unable to undertake the work which is urgently required, e.g., schools, conferences, exchange visits, visits by experts, closer association with the United Nations, all in connection with women's questions in relation to Co-operation. We have hope that in this field the Alliance may continue, and develop further, the steps taken in 1953, and again in 1956, when, with aid from UNESCO, women Co-operators were able to come together to study the specific problems which face them.

We particularly appreciated that in 1956 Co-operative women from Europe met Co-operative women from India, Ceylon, Malaya, and Nigeria. We express our thanks for this opportunity. We are convinced that it had great value, not only for the women who participated and their respective Co-operative Movements but also for Co-operation as an international force, and we would appreciate further help of a similar kind. We trust this Congress and that of Co-operative women which has preceded it will increase the power of Co-operation in the world and lead to development of Co-operative practice in every country.

I bring greetings and wish this Congress every success.

The President: I should like to thank all the speakers who have brought us the good wishes of their organisations. It is true that all the organs of the United Nations require the support of public opinion and our Co-operative Movement is an excellent means of spreading a knowledge of the importance of the United Nations and its various agencies.

Messages from India.

The General Secretary: I have two messages from India to read to the Congress. The first is from Mr. P. S. Deshmukh, Minister for Co-operation of the Government of India, who writes :

“As the first Union Minister for Co-operation in India, I have great pleasure in sending my greetings and good wishes to this Session of the International Co-operative Congress with my friend Shri B. J. Patel, Leader of the Indian Delegation to the Congress. I have been associated with the Co-operative

Movement in India for over 30 years and have also taken part in international deliberations. I have always looked forward to the growth of the principles of Co-operation so as to build a world-wide network of Co-operative Institutions. I am glad to find that the Congress has been steadily working towards this ideal.

I wish the present session of the Congress every success and express the hope that it will be my unbounded pleasure to welcome the delegates at the next session of the Congress on the Indian soil in 1960."

The second is from Keshava Deva Malaviya on behalf of the Minister of Mines and Oil of the Government of India :

"With greatest pleasure I am sending this message to the International Co-operative Congress which is holding its session in Stockholm. This Congress is going to be a momentous one as it is going to decide how to push the Co-operative Movement in the under-developed countries of the world. I express my sincere co-operation for this great work which the International Co-operative Alliance is going to undertake.

I wish all success to the Congress."

Procedure.

The President: We shall now get down to our work. In the booklet containing the Agenda and reports you will find the Standing Orders of the Congress. I should like to remind you that intending speakers must let me have their name in writing before speaking, and secondly that they must speak to the point on the Agenda, because there is no general discussion on the Report of the Central Committee, and we shall take the Report page by page. Each speaker may speak for five minutes, with the exception of those submitting resolutions or amendments, and no speaker may address the Congress twice on the same question.

Appointment of Congress Committee.

The General Secretary: The next business of Congress is to elect the Congress Committee, which consists of the president and two vice-presidents of the Alliance, three members of the Central Committee, and three delegates of the Congress. The three members of the Central Committee which that Committee has chosen as its representatives on the Congress Committee are Mr. A. Korp (Austria), Mr. L. Hietanen (Finland), and Mr. B. J. Patel (India). The Central Committee wishes to recommend to Congress the appointment of the following three delegates as members of the Congress Committee : Mrs. C. Ancion (Belgium), Mr. H. W. Culbreth (U.S.A.), and Mr. V. Selvanayagam (Malaya).

The President: Are there any objections to the names read out ? If not, is the recommendation adopted ?

The recommendation was adopted without dissent.

Appointment of Tellers.

The General Secretary: Congress has now to elect the Tellers. The Central Committee, in accordance with its usual procedure, has made a recommendation to Congress on this matter, and recommends that the following delegates be appointed Tellers: Mr. R. Haugen (Norway), Mr. L. Sieber (Czechoslovakia), Mr. J. Jalava (Finland), Mr. A. Antoni (France), Mr. J. F. van Netten (Holland), Mr. J. Lundoerg (Sweden), Mr. A. Saenger (Switzerland), Mr. B. Gurk (Germany), Mr. E. Mondini (Italy), Mr. M. G. Utrin (U.S.S.R.); and Mr. H. Bailey (Great Britain) is suggested as Chief Teller.

The President: If there are no objections, I declare the recommendation adopted.

The recommendation was adopted.

Report of the Central Committee

on the Work of the

International Co-operative Alliance

1954 — 1957

Introduction

Dramatic changes in the world economic and political situation since 1954 have influenced the activities of the International Co-operative Alliance both favourably and adversely. The meeting of the four Heads of States at Geneva in the summer of 1955 was followed by a general relaxation of the tension caused by the competition of the Great Powers in nuclear weapons. Added encouragement to optimism was given by the International Conference on the Peaceful Uses of Atomic Energy where scientists and technicians discussed freely and openly, without political motive or bias, their researches and the application of their discoveries in this field. The relief felt by Co-operators at this somewhat unexpected advance in international collaboration and the more hopeful prospects opened up were expressed in the resolution adopted by the Central Committee at Basle, September, 1955.

But events in Eastern Europe and the Middle East in the last two months of 1956 rudely dispelled any facile optimism and revealed how precarious was the world's hold upon peace. In a resolution, based on the I.C.A.'s policy of peace as reaffirmed by the Paris Congress, the Executive called upon the affiliated Organisations to urge their Governments to give the utmost support to the United Nations and to make it an effective means of securing peace.

The Paris Congress gave clear directives for the development of the activities of the Alliance in two main directions: the first, increased consultation and collaboration on the international level between the Movement's experts in their special fields as a step towards a greater volume of international co-operative trade; the second, the formulation and implementation of a programme of I.C.A. Technical Assistance for Co-operative Movements in the lesser developed countries.

If progress in the first direction has been slower than was hoped, this was largely due to the necessity for clearing the ground of existing committee machinery and replacing it by a more practical form of organisation for dealing with problems of distribution. In the second direction, later pages of this Report show that a considerable amount of exploratory and experimental work has been undertaken and that much knowledge has been gained from it. One of the lessons learnt is

that the Promotion of Co-operation by the Alliance, in co-ordination with Governments and International Agencies, must proceed in the future on a greatly increased scale. It will be for the Stockholm Congress to meet this challenge and speed the Alliance on its way to becoming a world organisation in the full sense of the word.

One economic factor cannot be ignored - inflation. The diminution in the internal and external purchasing power of the £ sterling in the last six years has cancelled the 20 per cent increase in membership subscriptions voted by the Congress of Copenhagen in 1951. If the Alliance has balanced its budget each year, it has been because of careful management and some limitation of its services and activities. An increase in its subscription income is indispensable to any enlargement of its organisation and programme of work.

The Presidency of the I.C.A.

The death of Sir Harry Gill on the 20th May, 1955, was deeply mourned by the World Co-operative Movement as a whole, and individually by Officials and rank and file Co-operators who had known Sir Harry personally and worked with him in the national or international sphere. To the members of the Executive and Central Committee his passing was a particularly acute sorrow.

His memory was honoured in a great many national co-operative journals by appreciations of him personally and of his life's work.

Sir Harry was elected to the Presidency of the Alliance at the Prague Congress in 1948, re-elected at Copenhagen in 1951 and again at Paris in 1954.

The election of a New President took place at the meeting of the Central Committee at Basle in September, 1955, when Mr. Marcel Brot, a Vice-President since 1948, was unanimously elected.

Dr. M. Bonow, who had also been nominated for the Presidency but had withdrawn his nomination, accepted election as a Vice-President by a unanimous vote.

Membership.

The report to the Paris Congress noted that there were still many well-developed Co-operative Organisations as well as young Movements outside the ranks of the Alliance, but also recorded the admission to membership of two of the latter - Gold Coast Co-operative Federation (now Alliance of Ghana Co-operatives), and Co-operative Union of Eastern Nigeria and the Cameroons (now Co-operative Union of Eastern Nigeria).

During the last three years, the Executive have had the great pleasure to accept applications from six other young Organisations whose admission has brought six new countries into the Alliance. They are :-

- ✓ **Ceylon:** Co-operative Federation of Ceylon, founded 1955.
- Malaya:** Co-operative Union of Malaya, founded 1953.
- Sudan:** Co-operative Union of Sudan, founded 1953.
- Mauritius:** Co-operative Union of Mauritius, founded 1952.
- Mexico:** National Co-operative Confederation of the Republic of Mexico, founded 1954.
- British Guiana:** Co-operative Union, Georgetown.

Other new affiliations since the last Congress are :—

- Belgium:** Office des Pharmacies Coopératives, Brussels.
- Canada:** Le Conseil Canadien de la Coopération, Quebec.
- France:** Banque Coopérative des Sociétés Ouvrières de Production, Paris.
- Switzerland:** Verband sozialer Baubetriebe, Zurich.

The Co-operative Union of Mauritius, Co-operative Confederation of Mexico, and British Guiana Co-operative Union are the first Organisations to be admitted as Associate Members under the new rule approved by the Paris Congress.

The global membership of the Alliance, according to the latest figures received from affiliated Organisations, now includes 41 National Co-operative Movements comprising 409,244 Societies with nearly 125 million individual members :-

Consumers' Societies	41,552	with	63,609,125	members
Workers' Productive and Artisanal Societies	10,628	„	851,529	„
Housing and Building Societies ...	6,088	„	2,114,791	„
Agricultural Societies	54,281	„	15,164,395	„
Credit Societies	291,294	„	36,962,887	„
Miscellaneous Societies	5,401	„	6,062,633	„
Insurance Societies	55	„	45,140,415	insured persons

The problem of Eligibility for Membership of the Alliance has probably received more consideration than any other during the last 10 years as a result of the re-organisation of former member organisations into state-controlled Movements, which with their huge memberships would have acquired a dominating influence within the I.C.A.

To meet this situation, the Central Committee recommended, and the Copenhagen Congress approved, a more explicit interpretation of Article 8 of the Rules of the Alliance, as a directive to the Executive in the examination of future applications for membership but with the understanding that it should not be applied to Organisations already affiliated.

Three years later, at the Paris Congress, it was deemed necessary to complete the interpretation to meet a situation where an existing member Organisation voluntarily or involuntarily accepted a change in its constitution as a result of which it no longer complied with the statutory conditions of membership of the Alliance.

Still more recently, and viewing the whole problem of membership in the light of world economic and political changes - those which have taken place, those taking place to-day and also those which may take place to-morrow - the Swedish, Danish and Norwegian delegations submitted the following motion to the Central Committee at their meeting in London, February, 1957 :-

“ The Central Committee requests the Executive to make a study of the whole question of membership in relation to the admission of members, the operation of the rules in the case of present members, taking account of the decisions of the Copenhagen and Paris Congresses, and to bring forward recommendations which may be thought advisable.”

The motion was accepted but, while no members voted against, almost one-third abstained.

Committees of the I.C.A.

The Central Committee now has 104 members, representatives of affiliated Organisations in 23 countries. The newly-admitted Organisations in non-European countries which are entitled to representation are not yet taking part in the work of the Committee largely on account of the travelling costs involved in attending meetings.

The Committee met at Paris at the close of the Congress to elect a President, two Vice-Presidents and the members of the Executive, and has since held three meetings - at Basle in September, 1955, Moscow in September, 1956, London in February, 1957. It will meet at Stockholm on the eve of the Congress.

The Executive held two meetings in 1954 - at Paris immediately following its election, and at Zurich in December; two meetings in 1955, at Hamburg in April, at Basle in September; in 1956 it held four meetings, Miramar de l'Estérel in February, Copenhagen in May, Moscow in September, Paris in December. During the present year it met at London in February, at Rome in May, and will meet at Stockholm on 2nd August.

In 1955 Mr. C. Schumacher was elected to the vacancy on the Executive created by the death of Mr. Gustav Dahrendorf, but the vacancy later created by the election of Mr. Brot to the Presidency was not filled.

The Executive Sub-Committee, of which the President, Mr. Barbier, Dr. Bonow, Mr. Cerreti, Mr. Charbo, Mr. Davidson, Mr. Serwy and Mr. Southern are members, has met on several occasions to deal with questions referred to it by the Executive, particularly the study of the functioning of the Auxiliary Committees, the revision of the rules, questions of finance, as well as questions concerning the Secretariat.

The Technical Assistance Sub-Committee is a new Committee composed of the President, Mr. Barbier, Dr. Bonow and Mr. Southern, appointed by the Executive at Paris immediately after the Congress to consider the method of

approach and the first steps to be taken to give effect to the resolution on the Development of Co-operation in Lesser Developed Countries. All the decisions concerning Technical Assistance reported in another section of this Report, and the inclusion upon the Agenda of this Congress of three Papers on "The Promotion of Co-operation in Lesser Developed Countries" are due to the initiatives of the Sub-Committee.

Auxiliary Committees.

The greater activity on the part of the Auxiliary Committees which was reported to the last Congress has, in most cases, been well maintained during the last three years, as is shown by their reports.

The International Co-operative Insurance Committee has made further important progress through its International Re-insurance Bureau in the sphere of re-insurance. The Triennial Conference of the Committee, to which all Co-operative Insurance Societies in membership with the Alliance will be invited, will take place at Stockholm prior to the Congress.

The International Co-operative Banking Committee has met only once since its Conference at Paris.

The Auxiliary Committee on Agricultural Co-operation held meetings at Basle in September, 1955, and Moscow in September, 1956, and its Sub-Committee met at Copenhagen in July, 1956. As its report to Congress indicates, the members of the Committee feel that its work is adversely affected by two main factors—the absence of any permanent expert assistance within the Secretariat of the I.C.A., and the need for the collaboration of a larger number of Agricultural Co-operatives.

The Committee of Representatives of Workers' Productive and Artisanal Co-operatives presents a very favourable report on its activity during the past three years, which has included the organisation of two Study Courses, and publication of two Monographs.

The Housing Committee, with the approval of the Executive, has published in a brochure the results of the study on "Housing Finance in Western Europe" undertaken on its behalf by Mr. H. Ashworth, Great Britain, and, by the time Congress meets, it hopes to have available for use in lesser developed countries a set of Model Rules for Co-operative Housing Societies, which are the result of a study undertaken by Dr. Bodien, German Federal Republic. Other aspects of the Committee's work are reflected in its report to Congress.

The Committee on the Rationalisation of Commodity Distribution constituted by decision of the Copenhagen Congress, has held only one meeting during the last three years, at London in November, 1955, and, as reported later, will not ask Congress to renew its mandate.

Co-operative Wholesale Committee. This is a new Auxiliary Committee, the creation and constitution of which have the approval of the Central Committee.

Its objects are "to collect and distribute information and to foster, develop and promote trade and trading relations and interests between Co-operative Societies in all parts of the world."

The Committee held its first members' meeting in December, 1956, at which the National Co-operative Wholesale Societies of Austria, Belgium, Finland (OTK), France, German Federal Republic, Great Britain, Holland, Norway, Sweden and Switzerland were represented, and Mr. Albin Johansson was elected Chairman.

* * * * *

Since the first Auxiliary Committees were created in 1922, it has always been the practice for reports by their respective Chairman or Secretary to be presented to Congress as Appendices to the Report of the Central Committee, but until the Congress at Copenhagen in 1951 it was very rare for these reports to be discussed.

Those in closer touch with the Auxiliary Committees have for some time past known, on the one hand, the valuable work which was being done by most of the Auxiliaries, and, on the other hand, a feeling on the part of members of the Committees of a disinterested attitude on the part of the Central Committee and Executive towards their work.

To overcome this situation, the following proposals designed to establish closer relations between the Auxiliary Committees and the Executive and Central Committee have been accepted:-

- i. That each Auxiliary Committee be asked, when it is appropriate to its work, to convene a meeting in conjunction with the annual meeting of the Central Committee, at which members of the Executive or Central Committee will be present;
- ii. That each Auxiliary Committee be asked to submit an annual report to the Central Committee;
- iii. That the Chairman and Secretary of each Auxiliary Committee be invited to the meeting of the Central Committee when these annual reports are under discussion;
- iv. That, when appropriate, the Auxiliary Committees be consulted in the carrying out of the policy of the I.C.A.;
- v. That the affiliated Organisations eligible to participate in the work of the several Auxiliary Committees be urged to give their full collaboration by appointing experts in the particular branch of co-operative activity and by assuring the regular attendance of those experts at meetings of the Committee;

vi. That the practice of the Secretariat in asking members of Auxiliary Committees to provide documentation for, or to attend, United Nations meetings at which technical problems relating to the work of the particular Auxiliary Committee are to be dealt with, be continued; also, if necessary, and at the discretion of the Officers, that the expense of such representation be borne by the Alliance.



At the request of the President, and following the last meeting of the Rationalisation Committee, the Executive have been studying the effectiveness of the work of the different Committees.

In the first place, the Executive Sub-Committee was asked to examine the functions of the existing Committees which, in some cases, seemed to overlap, with a view to finding rational methods of work which would not only assure the effectiveness of the Committees themselves, but also that their work should contribute in a practical way to the fulfilment of the aims of the Alliance.

The results to date of this study are (i) that the Sub-Committee for International Consultation and Collaboration, set up under the resolution of the Paris Congress on the Paper of Mr. Roos, is considered not to have functioned satisfactorily, and its suppression is recommended; (ii) that in view of the new Auxiliary Committee, Co-operative Wholesale Committee, it be recommended to Congress that the Rationalisation Committee shall cease to exist.

The terms of the Rationalisation Committee, however, were not confined to problems of wholesale trade, so that with its disappearance the question naturally arises as to machinery for dealing with problems affecting retailing and the retail side of the Movement. Two alternatives exist: that such problems could be dealt with by the Executive, if necessary with the help of outside experts, or that an Auxiliary Committee for Retail Societies be constituted side by side with the Co-operative Wholesale Committee.

Actually, rules for an Auxiliary Committee for Retail Societies have been drafted, but, although they have received preliminary consideration, they have not yet been approved by the Central Committee.

The Executive, having studied this problem very closely, are strongly of opinion that the Alliance should not have too many Committees; that there must be adequate Executive control over, and contact with, all Committees to assure the efficiency of their work.

Finance.

With the amendment to the Rules adopted by the Copenhagen Congress, which provided for a 20 per cent increase in all scales of subscriptions, the Alliance has continued to live within its income, but has been unable appreciably to expand its programme of work.

The question of income from subscriptions has been under consideration by the Executive at the request of the Central Committee, and different methods involving new bases for calculation have been examined.

While still adhering, in principle, to the decision of the Basle Congress in 1921 that subscriptions should be based upon turnover, with different rates for retail and wholesale societies - or, as it is now formulated in Article 17, "Every Organisation affiliated to the I.C.A. shall pay an annual subscription in proportion to its development and economic importance and according to the scales laid down in Article 18"- the majority of the Committee still feel that the time has not come for putting this method into effect.

Therefore, the Central Committee recommend Congress to maintain the present Rule "The subscription to be paid by each affiliated Organisation shall be calculated in accordance with the scales applicable to the different categories of membership laid down by the Central Committee; the basis and rates of such scales shall be changed as circumstances shall necessitate in order to assure an adequate income to the I.C.A."

As will be seen from Appendix IX, subscriptions received for the years 1954, 1955 and 1956 totalled, respectively, £30,494. 4. 11., £31,819. 18. 6., £32,549. 11. 8.

Future Policy of the I.C.A.

The Executive, when they met at Hamburg in April, 1955, discussed certain aspects of I.C.A. economic policy which, although mentioned, did not receive detailed treatment in the Statement of Policy adopted by the Paris Congress. In view of the development of governmental policy and the changing international situation, it was decided that the following questions should be specially studied:-

1. The General Agreement on Tariffs and Trade (GATT) and the Organisation for Trade Co-operation, created alongside it, in the light of the I.C.A. statement in favour of the progressive abolition of restrictions and the co-ordination of economic policy on the international level;
2. The stabilisation of world prices of staple commodities;
3. The establishment of new economic communities and the unification of markets;
4. The peaceful use of atomic energy, its administration and economic consequences.

Apart from the slow progress made by the various inter-governmental bodies in their consideration of these questions, studies have been retarded by lack of staff in the Economic Research Section for several months of 1955-56. Work was resumed in 1956, and the Executive, at Paris last December, gave preliminary consideration to the proposals for a common European market.

The question was further discussed at the London meetings in February, when it was decided that the attention of Organisations in the countries concerned should be called to the problem in a memorandum circulated by the Secretariat.

Publications.

Within the limits of the budget it has been possible to extend the work of the Publications Section; some new services have been introduced and general publicity has increased.

Review of International Co-operation. The circulation level of all three editions has shown an increase. The figure for the English edition is now 2,075, for the French edition 845, and for the German edition 1,450. Most of the new subscribers to the English edition have come from outside Europe and particularly South East Asia.

A new feature "Co-operative Commentary" was introduced in 1956, which discusses, briefly, current co-operative happenings and provides information that would not otherwise appear in the *Review*.

The practice of combining two monthly issues to form a double number once a year has been continued. In 1954 the subject was "Co-operation in Less-developed Countries," in 1955 "The History of the I.C.A.," and in 1956 "Co-operation and South East Asia." In April, 1955, the whole issue was given over to "Youth and the Co-operative Movement," this year the corresponding number dealt with the "Position of Women within the Co-operative Movement."

The question of enlarging the *Review* which, generally speaking, has been confined to 24 pages, will have to be seriously considered if full justice is to be done to the activities of the Alliance, its member Organisations, and other aspects of co-operative development. This would become possible without drawing on I.C.A. general funds if more National Organisations could place advertisements in the *Review* and thus help cover the cost of more editorial pages.

Cartel now has over 750 subscribers to the English, and 425 to the French, edition. Whilst maintaining its reputation as a source of authoritative information on the development and control of monopolies it has widened its field, during the last two years, to cover other important economic questions from the consumer's standpoint.

News Services. The *Co-operative News Service* continues to be issued in English and French and some 60 new subscribers have been obtained since the last report. Its value continues to be recognised by students as well as editors. For the last two years the *Economic News Service*, with information on world markets, monopolies, international economic action and distribution, has appeared in English only, the French edition having been discontinued owing to the small number of subscribers.

Digest of the Co-operative Press, which appears irregularly, is largely quoted in national journals, and back numbers are in constant demand. The three issues dealing with Consumers' Information aroused particular interest, not only in the Co-operative Movement, but amongst private organisations including several of the world's largest advertising agencies.

Film Bulletin, introduced in 1955, in English only, appears three or four times a year. It gives information about new co-operative films and various developments in the film world which are of interest to the Co-operative Movement, and it has proved useful also for field workers of the I.L.O. and F.A.O.

Press Releases and General Publicity. The more frequent issue of press releases has been widely appreciated, and special articles in connection with International Co-operative Day, dealing with some aspect of the I.C.A. and its work, have been reproduced in most leading co-operative journals.

The experiments made with Syndicated Articles have developed into a regular part of the work of the Publications Section, and income from the service more than covers expenses.

The Section is building up a Photographic Library and has been able to satisfy many requests from National Organisations. Efforts to publicise the Alliance's work through other than co-operative channels have been made, with encouraging response from Embassies and the British Central Office of Information.

Special Publications.

The Report of the 19th Congress was published in English and French, and an abbreviated report, *Paris Congress in Brief*, was published in English, French, and German, the latter due to help given by the Austrian Consumers' Union.

Housing Finance in Western Europe, by Mr. Herbert Ashworth, was published at the request of the Auxiliary Committee on Housing in English, German, and French editions.

The Film Catalogue and Press Directory were well received and the former has done much to stimulate interest in the exchange of co-operative films between National Organisations. Supplements to both publications are being prepared to bring the information up to date.

The brochure, *The I.C.A., Its Aims and Work*, has circulated well and a reprint in a rather cheaper edition was issued at a lower price. The first editions appeared in English only, but an up-to-date French edition is in preparation.

Co-operation and World Economy, first published in 1947, has been completely re-written by the author, Mr. Thorsten Odhe, and the new edition will be ready before Congress.

The Jubilee History of the I.C.A. Dr. Faucherre's first draft has been considerably abridged and additions made to bring the history down to the I.C.A.'s 60th Anniversary.

Economic Research.

The Economic Research Section, besides preparing *Cartel* and the *Economic News Service*, systematically collects material on industrial and commercial development, legislation and government policy of direct interest to the Co-operative Movement.

While Restrictive Business Practices were under consideration by the U.N. Economic and Social Council, the Section prepared the memorandum and statements which were either circulated to the members of the Council or presented orally at its meetings by I.C.A. representatives. Information on legislative hindrances to improved distributive methods was assembled and submitted to the Economic Commission for Europe.

More recently the Section has been studying the growth, organisation, and finance of consumer credit and the proposals for a common European market. For lack of an adequate statistical basis, the enquiry into the relative efficiency of large and small Co-operative Societies, which was in progress at the time of the last Congress, had to be suspended.

Statistics.

The annual collection of statistics has been continued for all types of affiliated Organisations - Consumers', Productive and Artisanal, Agricultural, Building and Housing Societies, Banking, Insurance, and the principal figures have been circulated, in stencilled form, as Comparative Statements for the years 1952-53, 1953-54, and 1954-55, giving:-

1. The Strength of the I.C.A.;
2. Co-operative Penetration into Population;
3. Membership and Trade of Consumers' Movements (including Wholesale Societies);
4. Membership and Trade of Agricultural Societies, Workers' Productive and Artisanal Societies, Building and Housing Societies;
5. Co-operative Banks and Credit Societies;
6. Co-operative Insurance Societies.

There is evidence that these Statements are increasingly appreciated by affiliated and other Organisations, also by students.

The full returns, as formerly published in the triennial printed Volumes, are compiled for the Library of the I.C.A.

60th Anniversary of the I.C.A., 19th August, 1955.

The principal features of the I.C.A.'s own observance of its 60th Anniversary were the publication of a double number of the *Review of International Co-operation*, devoted to the history of the Alliance, its founders and some of the personalities who had built it up and shaped its policy; and a Reception at its headquarters as a manifestation of the aims of the Alliance and its work, particularly in the sphere of technical assistance. An outstanding feature of the Reception was the presence of representatives of three of the young Organisations in lesser developed countries which had just been admitted to membership - the Unions of Eastern Nigeria, Ghana, and Malaya.

In view of the nearness of the date of the Anniversary to the 33rd International Co-operative Day, the two events were covered in the following Declaration:—

“ On the 60th Anniversary of its foundation, the International Co-operative Alliance greets its Organisations and their 118 million members in 34 countries, acknowledging with gratitude their past collaboration in seeking to attain the high aims proclaimed for the Alliance by its Founders.

From its creation, the Alliance has never ceased - at its Congresses and on other suitable occasions such as International Co-operative Day - to impress upon its members that they represent a great economic and social force which, whenever united in purpose and action, can exercise a beneficial influence upon national and international policy.

To-day, the need for that influence is imperative. Co-operators must unite in their efforts to arrest the desperate race in instruments of mass destruction, wasteful of the wealth of nations and threatening a world war in which civilisation may perish.

The International Co-operative Alliance, therefore, solemnly charges its affiliated Organisations and their members, in celebrating its 60th Anniversary on 19th August and the 33rd International Co-operative Day on 2nd July, to bring once more before their respective Governments, publicly and by the most appropriate direct means, the Appeal of the 19th International Congress that they shall -

Renew their efforts, through the United Nations, to reach agreement on the limitation of armaments of every type, as a step towards total disarmament;

Create an impartial and effective organisation for the inspection and control of arms and arms production within all nations;

Speed up every measure, national and international, for the relief and eventual abolition of poverty and economic insecurity;

Co-ordinate their economic policies so as to promote international exchange, the full employment of all human and material resources, a steady economic expansion; and to offer the common people the certain prospect of peace with abundance.

Finally, the International Co-operative Alliance calls upon all Co-operative Organisations, and Co-operators, to unite in supporting their International Organisation, morally and materially, that it may steadily advance towards, and reach, its goal. Thus may the peoples of the whole world see the dawn of a better life.”

Many congratulatory messages on its Anniversary were sent to the Alliance by telegram and letter from all parts of the world; the observance of the Anniversary was world-wide; the Declaration was published in National Co-operative Journals in practically every country, many of which also published special articles; in some countries there were broadcast talks on the significance of the I.C.A. and its achievements.

International Co-operative Day.

One of the most gratifying features of International Co-operative Day in recent years is its enthusiastic and inspiring observance by Organisations in countries outside Europe where the conception and planning of celebrations reflect the purpose which was in the minds of those who initiated the Day.

It is not usual in reports to Congress to single out the action of individual Organisations but an exception is merited by the successful appeal which the Swiss Union of Consumers' Societies, Basle, made to its Societies and their members in 1956 to contribute towards the cost of a helicopter fitted with skis to be placed at the disposal of a well-known Swiss aviator for rescue work in the Alps.

Of these two features of the celebrations, the President, speaking at Moscow, said: "The well-organised observance in some countries should be noted by those who, having at one time attached great importance to International Co-operative Day, have allowed their interests and efforts to slacken"; and with regard to the psychological importance of the Swiss effort—"It is by encouraging our members to make such gestures that we shall form true co-operators, not by giving them special material advantages."

The Declaration of the Alliance for the 32nd International Co-operative Day, which was observed shortly before the Paris Congress on 3rd July, 1954, was a serious reminder to the individual Co-operator of his and her duty to work for peace through co-operation:—

Co-operators of the World!

The time has come to make your voices heard, to impress the world with your actions, and, through them, to appeal for peace and the dignity of men.

Men and women **can** co-operate.

The millions of families united within the International Co-operative Alliance are setting an example of this on every continent of the world.

Men and women **must** co-operate.

For the only choice to-day is to be or not to be, to agree with one another or to destroy one another.

Men and women **want** to co-operate.

All who are concerned for the future of their children, their wives or their husbands, or of the millions of men and women in the world like themselves can only, with all the force they possess, demand peace and declare their hatred of war which divides and destroys mankind.

Co-operators of the world: May the 32nd International Co-operative Day be a happy and memorable day for you all. You have the power to be, and you are indeed, the builders of a new world. Through you, and by co-operative methods, the brotherhood economy and the brotherhood of the peoples will triumph.

L.C.A. Declaration for the 34th International Co-operative Day, 7th July, 1956.

“ On the 34th International Co-operative Day, the International Co-operative Alliance and its affiliated Organisations in 38 countries, with their 120 million individual members—

Pledge themselves to strive more energetically to enlarge the place of the Co-operative System of Voluntary Self-Help in economic and social life, realising that this is vitally important for improving the standard of life in the less-developed regions of the world;

Urge the United Nations and all National Governments to take full advantage of every relaxation of international tension in order to assure, by the progressive reduction of all kinds of armaments, the ultimate realisation of total disarmament;

Appeal for universal agreement regarding the prohibition of nuclear weapons and the development of the peaceful uses of atomic energy without monopolies and with freedom of access for all nations to this new source of power;

Demand the expansion of international trade and higher standards of living for all peoples through the establishment of mutual confidence between states and the restoration of peace and security.”

The Resolutions of the Paris Congress and the Central Committee's Resolution at Basle, September, 1956.

As the Peace Resolution, voted unanimously at the Paris Congress, constitutes at present the Peace Policy of the L.C.A. it has a place in this Report:—

“ The 19th Congress of the International Co-operative Alliance—

Viewing with the gravest concern the menace to peace arising from intensive competition in the invention and adoption of ever deadlier and more destructive methods of warfare;

The growing danger to the common people, carrying on their peaceful occupations, caused by experiments and exercises with such methods of warfare;

Also the drain on national economies resulting from the withdrawal from productive labour of workers kept under arms and the allocation of industrial resources to arms manufacture, thus retarding the rise in the standard of living—

Appeals to the Governments of the world -

To renew their efforts, through the United Nations, to reach agreement on the limitation of armaments of every type, as a step towards total disarmament;

To create an impartial and effective organisation for the inspection and control of arms and arms production within all nations;

To speed up every measure, national and international, for the relief and eventual abolition of poverty and economic insecurity;

To co-ordinate their economic policies so as to promote international exchange, the full employment of all human and material resources, a steady economic expansion; and to offer the common people the certain prospect of peace with abundance.

Congress calls upon the Co-operators of the whole world, through their Co-operative Organisations, to work with the utmost energy for the attainment of these objectives."

The text of the resolution, as the Peace Policy of the I.C.A., was sent to all affiliated Organisations, asking not only that it should have the widest possible publicity but that it should be the subject of discussion at suitable co-operative gatherings. There has been little evidence of such discussions, but most national journals gave the text of the resolution. It was naturally published by the I.C.A. in its several publications, and was brought to the notice of the United Nations Organisation.

* * * * *

The first meeting of the Central Committee after the Paris Congress, September, 1955, took place soon after the meeting at Geneva of the Heads of States of France, Great Britain, the U.S.A. and the U.S.S.R., the results of which were at that time welcomed almost universally as indicating a lessening of the fear of war. Having regard to the Peace Policy, the Executive recommended that the prevailing circumstances demanded a Declaration of the point of view of the I.C.A. on the hopes to which the Geneva Conference had given birth, and they accordingly submitted a text which, with some very slight amendments, the Central Committee unanimously adopted as follows:-

"The Central Committee of the International Co-operative Alliance is relieved and gratified to note the lessening of tension in the world resulting from the recent Four Power meeting in Geneva of the Heads of States. It expresses the sincere hope that in this new atmosphere of increasing trust it will be possible to work for a steady advance towards good relations between all peoples and in the interests of all nations.

Further, the Central Committee welcomes the international exchanges of information at the Geneva Conference on the science and techniques of producing and utilising atomic energy for peaceful purposes. It regards this event as one of great historical significance which opens up tremendous possibilities for improving living standards throughout the world and thus contributing towards universal peace.

Co-operators are vitally interested in these possibilities for abundant and cheaper power which must be used in reducing costs of production for the benefit of producers and consumers alike and not exploited by monopoly interests.

The Central Committee adopts this view and approves the further study of related problems.

The Co-operative Movements of the world can, within their spheres of activity, make important contributions towards better understanding between the nations.

In the present world situation the Central Committee urges the executive organs of the International Co-operative Alliance and the affiliated Organisations to use all co-operative means at their command to promote friendly and economic relations between Co-operative Organisations of Producers and Consumers and all other types both nationally and internationally as a means of securing greater international collaboration."

International Co-operative Trade, the Possibilities of Practical Collaboration between National Organisations and its Development by the Alliance.

In replying to the discussion on his Congress Paper, Mr. Roos confessed that he was somewhat disappointed because most of the discussion had been quite outside anything he had said in his Paper.

Congress may be disappointed with the outcome of the resolution on the Paper which it voted unanimously.

By this resolution, the Congress, after pointing out imperative tasks of the Co-operative Movement - Consumers' and Producers' - resulting from the world situation, and with a view to fostering the climate for real international co-operative trade, decided to invite National Organisations to suggest to the I.C.A. projects for joint action or to assist the I.C.A. in executing initiatives of its own, and finally charged a Sub-Committee of the Executive with the responsibility of preparing plans for giving effect to the resolution.

The Paper itself, it will be remembered, after mentioning that the subject of international co-operative trade had figured on the Agenda of six Congresses since the First World War, reviewed past experiences in the field of international trade, analysed the circumstances, possibilities and pre-requisites for the development of inter-co-operative trade, the possibilities of practical collaboration between National Co-operative Organisations and the tasks of the Alliance in this field.

The Executive decided, as their first step towards discharging the responsibility laid upon them by the resolution, that the President and Officers should meet the members of the Trading Sub-Committee of the Rationalisation Committee together with Mr. Albin Johansson and Mr. Roos.

After considering the results of that meeting (which were summed up as follows:

- i. that so far as actual trading is concerned, that should be left to the Wholesale Societies;
- ii. that the I.C.A. Executive should deal with more or less technical questions . . . with the understanding that on both aspects one side should be kept informed of what the other was doing;
- iii. that the I.C.A. should be responsible for bringing together the experts in different branches of commerce either on a direct request of affiliated Organisations or the request of the Trading Sub-Committee)

the Executive agreed that the Sub-Committee to be set up under the terms of the Resolution should have as its members - from the I.C.A. Executive, Mr. Davidson, Mr. Drejer, Mr. Sidorov; from the Trading Sub-Committee of the Rationalisation Committee, Mr. Groes, Mr. Klein, Mr. Orsini, Mr. Roos, Lord Williams, Mr. Johansson; and, in accordance with the rules, the President of the Alliance as its Chairman. For want of a better name, the Sub-Committee was known as the Sub-Committee for Technical Consultation and Collaboration.

It held its first and only meeting in London in November, 1955, when agreement was reached on three points - that the Executive should reconsider the question; that the Sub-Committee should serve for 12 months and then decide whether or not it was serving a useful purpose; that the Secretariat should submit to the Executive (I.C.A.) a list of questions which in its opinion were within the competence of the Sub-Committee.

The existence of the Sub-Committee was already complicated by the fact that initial steps were being taken for the creation of the new Auxiliary Committee, Co-operative Wholesale Committee, the constitution of which is reported in an earlier section of this Report, but, in spite of this development, the Executive decided in February, 1956 that the Sub-Committee should continue its work. It did not meet again, however, as in September of that year, just prior to the expiration of the 12 months' trial period of activity, the Executive proposed, and the Central Committee agreed to, its suppression.

Henry J. May Foundation.

The annual International Co-operative School has been reorganised in certain ways with the object, on the one hand, of saving time and, on the other, of stimulating the participants to play a more active rôle in the proceedings. The first object was largely attained by employing simultaneous, instead of consecutive, interpretation into the three languages regularly used, thus enabling a lecture programme of the usual length to be completed in three fewer days. The saving in accommodation expenses goes some way to offset the increased cost of interpretation.

The second object was aimed at through a change of method which also implied a change of time-table. A subject on which the participants have adequate previous knowledge gained through study or experience, is introduced, not by a lecture, but by a discussion in language groups, which causes the students to express their ideas and utilise their own knowledge. The lecture is then delivered, the text being distributed, and a discussion follows in which the students are able to compare the lecturer's ideas and conclusions with their own. The results of the first experiment with this method were so satisfactory as to justify its retention with whatever improvements experience may suggest in the future.

The 25th School was held at the Cité Estudiantine, Brussels, 13th to 24th August, 1955, with the collaboration of the Co-operative Union, Société Générale Coopérative, and the Insurance Society, La Prévoyance Sociale. It was attended by 92 students from 17 countries and included five participants from British Guiana, Ghana, India, Puerto Rico and Trinidad who were holders of Unesco travelling scholarships. The main theme, treated in six lectures, was "Co-operation and Family Welfare."

The 26th School was held at Graz and attended by 63 students from 11 countries, all European. This was the first International Co-operative School to meet in Austria since the Vienna Congress of 1930, but it gained added significance and received a warmer welcome because the dates fell in Austria's first year of freedom from military occupation. The Austrian Co-operative Movement, all branches of which are represented in the I.C.A. by their National Unions, collaborated in the local arrangements and also figured largely in the lecture programme. In addition, three important aspects of Co-operative Management and Administration were studied by the discussion method outlined in a previous paragraph.

The Second International Co-operative Seminar for Women.

The application for a UNESCO grant, under its Adult Education Programme, towards the organisation in 1955 of the Second International Co-operative Seminar for Women was successful, and although the decision was not received until the 8th July, it was accepted in the hope that the necessary collaboration would be given promptly enough for the organisation to be completed in time for the Seminar to open on 10th October. But two months later it became obvious that this hope could not be realised, so rather than jeopardise the success of the Seminar the arrangements were cancelled and UNESCO was asked to carry the grant over to the following year.

The Second Seminar took place in June, 1956, at the Austrian Workers' Centre, Schulungsheim Seehof, near Innsbruck.

In agreement with the European member organisations which support the I.C.A. Schools, it was decided to use the whole of the portion of the UNESCO grant earmarked for travelling costs to facilitate the participation of students from member Organisations in Africa and South East Asian countries. As a result, five overseas students, two from India, one each from Ceylon, Malaya and Eastern Nigeria, joined with 38 representatives from European Movements in discussing lectures on "Education for International Understanding and Peace."

The inclusion of the overseas students contributed greatly to the value of the Seminar, in the first place because their approach to the problems discussed was so different from that of the European students. While they appreciated to the full the opportunity and experience of coming to Europe for the first time and of joining in an I.C.A. Seminar with sister co-operators from European countries, the Europeans appreciated no less their first experience of studying and living with co-operators from overseas Movements.

The fact that women are holding important positions in the Movements in India, Ceylon, Malaya and Eastern Nigeria is impressive, perhaps to some surprising, but it shows that the younger Organisations do realise that women have a rôle in the Co-operative Movement, and that their collaboration is essential to its development. This fact is also found in the report of Dr. Kéler on the Asian Mission, in which he mentions requests for help in teaching and organising the women.

The reports which the Executive and Central Committee received on the Seminar, and its obvious success, influenced a decision that Seminars for Women must become a part of the educational activities of the Alliance, and moreover that means must be found for assuring more and more the participation of women from the younger Movements overseas.

Technical Conferences.

Two groups of specialists who were brought together for initial conferences before the Congress of Paris have since pursued their work, while a third has made a promising beginning.

The Working Party on Co-operative Films at its second meeting at I.C.A. headquarters, in May, 1955, gave particular attention to the international exchange of films and the addition of sound tracks in different languages to films suitable for international circulation. The possibilities of making greater use of the United Nations Film Department as well as concerted international action, after the example of the Scandinavian Organisations in Iceland, for producing co-operative films, were also discussed.

The Working Party on Documentation, which consists of librarians and others responsible for documentation in the National Organisations, met on the invitation of the Swiss Union, V.S.K., at Basle in April, 1956. Twelve specialists from 11 Organisations took part. The agenda had been carefully prepared by a small committee working in conjunction with the Secretariat and notable progress was made towards agreed solutions for the exchange of accessions lists, material and information between libraries, the reform of the Universal Decimal Classification for Co-operative Literature, aid to new co-operative libraries in lesser developed countries and other technical questions.

A Conference of Co-operative Publicity Officers, held in London in November, 1956, was attended by 40 specialists from 29 Organisations in 12 countries. In the course of three days, the Conference examined the purpose of co-operative publicity; the relation of advertising to consumer information; national advertising campaigns; packaging; the co-ordination of policy; audio-visual aids, and the organisation of publicity departments. Even with this comprehensive programme, there were many questions which could not be discussed. In order to assure the continuity of the work, particularly the interchange on an increasing scale of co-operative publicity material and ideas, the Conference appointed a consultative group to work with the Secretariat and formulate recommendations for future action. A useful adjunct to the Conference was an exhibition of publicity material of all kinds supplied by the National Organisations.

A Conference on Self-Service Retailing, arranged by Mr. C. A. Anderson in his capacity of convener of the Self-Service Sub-Committee of the Rationalisation Committee, was held at Stockholm in January, 1957. About 50 delegates from 13 countries took part, the majority of whom were senior Co-operative Managers with long experience of retail distribution. The object of the Conference was, primarily, to bring the rapid extension and evolution of self-service technique to the attention of the National Consumers' Movements, and, in the second place, to exchange ideas and experience on fundamental questions of retailing policy.

The Promotion of Co-operation.

The pursuit of the problem of the promotion of Co-operation and the implementation of the resolution on the Paper submitted to the Paris Congress by the Director of the Alliance on "Co-operative Development in Under-Developed Countries, with special reference to the Activities of Inter-Governmental Organisations," and the resolution thereon, has been one of the outstanding questions with which the Committees have been concerned during the period under review, and promises to become a most important aspect of I.C.A. activity, provided the necessary resources are forthcoming.

The resolution of Paris, in its concluding paragraph, directed the authorities of the Alliance "to draw up a programme of action by the I.C.A. and its members for the promotion of co-operation in all its forms in the under-developed regions of the world, and to consider ways and means of providing the assistance necessary for the execution of its programme."

The late President of the Alliance, Sir Harry Gill, expressed the opinion at Paris that the most urgent task which the new Executive had to undertake arose from this resolution and, on his proposal, the Executive, to whom the Central Committee had referred the resolutions of the Congress, immediately appointed a Sub-Committee, called the Technical Assistance Sub-Committee, to consider, with the Officers, the method of approach and the first steps to be taken. He further laid down that the Sub-Committee should meet as soon as possible with a view to the submission of a report to the Executive at its first meeting after Congress.

The first recommendations of the Sub-Committee, whose original members were the late Sir Harry Gill, Mr. Brot, Mr. Barbier, Dr. Bonow and Mr. Southern, submitted to the Executive in December, 1954 were:-

1. That the I.C.A. shall not envisage a programme which would compete with those of the United Nations and Inter-Governmental Organisations; rather that the distinctive and practical contribution of the I.C.A. shall be supplementary to the work of those Organisations.
2. That the I.C.A. shall make its contribution in the sphere of education, training and propaganda, especially for leaders, present and prospective, and members of Co-operative Societies in the under-developed countries, not for Government officials. In no case shall the Fund of the Alliance be used to finance economic undertakings.
3. That, in the first place, a short-term programme, two or three years, be envisaged. On the results and experiences of this, it should be possible to consider and draw up a long-term programme.

The types of assistance which the Sub-Committee envisaged as being of practical value were:—

The supply by the I.C.A. of primitive literature (books, leaflets, posters) in vernacular languages for use by existing Co-operative Organisations in under-developed countries in their own work; similarly, the supply of visual aids (projectors, films, film strips).

The organisation by the I.C.A. of Regional Educational Training Conferences; Special Schools, also regional in character; Technical Training abroad for selected persons in under-developed countries; and the provision of Scholarships and Bursaries for sustained study.

The first steps to be taken in the carrying out of the programme were considered, also the question of finance, with special reference to the proposition submitted by Hevrat Ovdim to the Paris Congress for the establishment of an International Fund to foster, encourage and develop co-operative activities and enterprises in under-developed countries. It was agreed that, for the present, the technical assistance activity should be financed by the Development Fund; further, that contributions to the Fund should continue, for the present, to be on a voluntary basis.

Having approved the conception of this short-term programme, the Executive decided to make it known to all affiliated Organisations, also to Organisations with which the Secretariat had contact in lesser-developed countries, at the same time inviting the latter to inform the Alliance of their priority needs for technical assistance within the framework of the programme.

Serious consideration was given to the question of responsibility for carrying out the work involved, which would inevitably progressively increase, and it was unanimously agreed that this would eventually require the full time services of an official within the Secretariat. But, in the initial stages of the work and until its development and needs could be more accurately assessed, also having regard to other demands for the extension of services by the Secretariat, it was agreed for the time being to leave the work in connection with the Technical Assistance Programme in the hands of the Director and General Secretary.

The possibilities and importance of collaboration with United Nations agencies and other International Non-Governmental Organisations already active in the field of technical assistance were realised and stressed from the beginning. It was realised that while the I.C.A. might lack the funds available to the United Nations and other Organisations, it possessed, with its member Organisations and their experts, a unique wealth of knowledge and experience indispensable to the success of co-operative promotional work. The importance of collaboration is appreciated by United Nations Organisations, though not to the extent which the I.C.A. would desire; joint meetings have, however, taken place between representatives of the Technical Assistance Sub-Committee and Officials in F.A.O. and I.L.O. concerned with Technical Assistance Projects.

Discussions with the F.A.O. at Rome, September, 1955, took the form of an exchange of information and opinions on the type of projects in which collaboration might be possible, particularly the preparation of simply written brochures and handbooks for the use of students and trainees from lesser-developed countries, describing the methods, structure, organisations and experiences of the Co-operative Movements in different countries; the organisation of Seminars and Courses; production of films and other visual aids to education in the lesser developed countries.

At a meeting with Officials of the Technical Assistance Division of the I.L.O. in February, 1956, information on the activity of both Organisations was exchanged.

So far the Alliance has not had the experience of collaborating in any specific projects with either the F.A.O., I.L.O. or any other United Nations Agency—apart from one or two such projects now under consideration, for instance, the planning with F.A.O. of a Seminar at village level in Europe in 1958, and the production, in collaboration with the U.N. Film Division, UNICEF and the Film Unit of the Indian Government, of a film based on the Kaira Dairy Union—but the inclusion on the Agenda of the Stockholm Congress of a Paper by Mr. David Owen, Chief of the U.N. Technical Assistance Administration, is the surest proof which could be given, not only of the interest of the United Nations in the Technical Assistance Programme of the Alliance, but also in the possibilities of collaboration.

As regards the I.C.A.'s own projects, several requests from National Co-operative Movements following the circulation of the Programme have been fulfilled:—

The Co-operative Union of Eastern Nigeria has received a small Printing Press which was badly needed for the production of rule-books, reports, propaganda leaflets and, eventually, small publications.

The Ghana Co-operative Union has received a complete mobile film unit, which enables it to take its message to remote villages and to illiterate people beyond the circulation of its journal.

From the Jamaican Union a most urgent cry came for the services of an expert in organisation and management to resuscitate the best of the existing Consumers' Societies in the island and to train officials. This request was strongly supported by the Registrar and the Co-operative Department. After considerable effort an employee of the Birkenhead Co-operative Society possessing the necessary technical knowledge and experience, and an interest in the mission, was released by his Society and took up his work in Jamaica at the beginning of November, 1956, where he will stay for a period of nine months. From the reports received from Mr. Healey himself, also from Co-operative and Government Officials in Jamaica, the success of the project seems to be fully assured.

Other projects of rather a different nature are an annual Two-Day Conference at I.C.A. Headquarters for the overseas students taking part in a special course at Stanford Hall under the auspices of the British Union and the British Colonial Office; and the Seminar organised by the I.C.A. with the help of UNESCO in the Caribbean, which is referred to more fully in another section of this report.

Several other projects are receiving consideration, but have not yet reached a stage of fruition. The preparation of simply-written brochures and hand-books is a very urgent need, but the difficulty experienced, not only by the I.C.A. but also by other International Organisations, is to find a suitable writer, or writers, with the necessary time for the task.

The Mission to South East Asia.

It will be remembered that the Japanese Union of Consumers' Societies submitted a resolution to the Paris Congress, as an amendment to the resolution on Mr. Watkins' Paper, which proposed "the establishment of an Asian Regional Sub-Committee of the I.C.A. to promote friendly relations between Asian Co-operative Movements having regard to the similarity of co-operation in under-developed countries and especially those of the Asian Region" . . . also that "under the auspices of the I.C.A. an annual or biennial Asian Co-operative Conference be held."

This resolution, with the consent of the Japanese Union, was referred to the Executive and Central Committee to consider in conjunction with other I.C.A. action.

At their first meeting after Congress, in December, 1954, the Executive adjourned consideration of this resolution in order to await a report on the Second Asian Round-Table Conference convened by the Japanese Movement at Tokyo (the first such Conference having taken place in October, 1952). This report, received by the Executive in April, 1955, included a resolution adopted by the Conference, which requested the I.C.A. to convene an Asian Co-operative Conference to consider the establishment of an Asian Office of the I.C.A. with the help of the I.L.O., F.A.O., UNESCO and ECAFE.

In noting the resolution and expressing sympathy with the desire of the Japanese Co-operators, also having heard the opinion of the Officers on the importance of first-hand information concerning Co-operation in South East Asia and the manifestation of the interest of the Alliance in this region, the Executive agreed that, in their general contacts, the Officers should think of the possibility of finding a missionary who could be sent to survey the co-operative field on behalf of the Alliance.

Following this agreement and subsequent authority given to the Officers to proceed with the preparations for a plan they had outlined, the Technical Assistance Sub-Committee, meeting in London, November, 1955, discussed with Dr. Kéler, who had been chosen to undertake the mission, the itinerary prepared by the Officers, the general purpose and particular objectives of the Mission, and expressed their confidence in his ability to discharge it. They also agreed to the desire expressed by Kooperativa Förbundet, who were releasing Dr. Kéler to undertake the mission, that he should be accompanied by his wife.

The countries included in the itinerary were Pakistan, India, Ceylon, Singapore, Malaya, Indonesia, Burma, Thailand, Hong-Kong, Japan and South Korea.

The Mission and its objects were announced to affiliated Organisations in the region, Co-operative Organisations with which the Secretariat had contacts and others known to exist, Registrars of Co-operative Societies, Co-operative Departments, representatives of the United Nations and its Specialised Agencies working in the region, as well as a number of persons either connected with, or sympathetic towards, Co-operation.

The appreciation shown by all concerned, Organisations and individuals alike, in the Mission, and their collaboration, were extremely gratifying, and left no possibility for doubting the rightness of the decision.

Dr. and Mrs. Kéler left London on 3rd December, 1955, and after a brief stop at Geneva to discuss certain aspects of the Mission with Mr. Lamming, Head of the Co-operation and Handicrafts Service of the I.L.O., and at Athens to take greetings to the Pan-Hellenic Confederation of Unions of Agricultural Co-operatives as well as to receive information concerning the organisation and its activities, they proceeded to Pakistan and immediately took up their programme.

In each country, and in every centre, Dr. Kéler was received with the utmost courtesy as the accredited representative of the I.C.A., and had all necessary facilities for carrying out his task. From each country he sent interim reports to the I.C.A. pending his report on the Mission as a whole, which was written after his return to Stockholm on 13th March, and is printed as an Appendix to this Report.

I.C.A. Conference in S.E. Asia.

The first action of the Technical Assistance Sub-Committee, after a preliminary study and discussion of the report and of Dr. Kéler's proposals for further I.C.A. action, was the following recommendation:—

“ That the Executive agree, in principle, to the convening of an I.C.A. Asian Regional Conference, if possible towards the end of 1957 after the Stockholm Congress; that the Conference have as its principal purpose to consider, and if possible to plan, the setting up of an I.C.A. Regional Asian Office; that this decision should not prejudice in any way other projects such as Seminars and the establishment of other direct contacts.”

This decision, after acceptance by the Executive, was communicated to all the Organisations visited by Dr. Kéler, with an indication that the Conference would take place at the end of 1957 or the beginning of 1958, and, like the decision regarding the Mission, was received with almost spontaneous satisfaction. Some Organisations, particularly the Malayan Union, regretted that the Conference was not planned for an earlier date, but in view of the date fixed for Congress that was physically impossible.

Of several invitations received, it has been decided to accept that of the Co-operative Union of Malaya, one of the youngest members of the Alliance, for the Conference to take place at Kuala Lumpur.

Participation will be open to Co-operative Organisations, affiliated or not, in the following countries, which are regarded as being within the geographical area of the Conference—Pakistan, India, Nepal, Afghanistan, Ceylon, Burma, Malaya and Singapore, Cambodia, Indonesia, Thailand, Vietnam, Laos, Hong-Kong, Sarawak, Japan, South Korea, Philippines, Papua and New Guinea.

In each case, apart from countries in which the Alliance has member Organisations, the Officers will first ascertain the existence of either a genuine Co-operative

Organisation or a Co-operative Department for the promotion of genuine Co-operation, it being agreed that where there is a Co-operative Department but not yet a Co-operative Organisation, the former be invited. Invitations will also be sent to the Co-operative Federation of Australia, the United Nations Organisations having offices or Officials working in the region, and the Colombo Plan Organisation.

The I.C.A. delegation to the Conference will include the President, Mr. Barbier, Dr. Bonow, Mr. Southern, as members of the Technical Assistance Sub-Committee; Mr. B. J. Patel, the member of the Central Committee in the region; Mr. Drejer as an Agricultural Expert; a Housing Expert nominated by the Housing Committee; Dr. Kéler; the Director and the General Secretary.

The principal Items on the Agenda will be the proposed Regional Office of the I.C.A. in South East Asia; the objects, forms and methods of Technical Assistance.

The Development Fund.

It will be seen from the following list of contributions that the Development Fund has reached £45,896. 13. 0; that, after meeting the costs of the Nigerian and Ghana Projects, the Jamaican Project to date and the Mission to Asia, the balance is £38,546:-

	£	s.	d.
Anglo-Chinese Development Society, London.....	10,341	7	8
Balances of Relief Funds	6,435	13	9
Société Générale Coopérative, Brussels	715	19	0
Ustredni Rada Druzstev, Prague	499	15	0
De Samvirkende danske Andelselskaber, Copenhagen ...	500	0	0
Fédération Nationale des Coopératives de Consommation, Paris	6,103	15	3
Zentralverband deutscher Konsumgenossenschaften and GEG, Hamburg	423	11	9
British Societies.....	2,254	16	9
Nederlandse Verbruikscoöperaties, Rotterdam.....	1,175	1	0
Hevrat Ovdim, Tel-Aviv	250	0	0
Norges Kooperative Landsforening, Oslo	500	0	0
Kooperativa Förbundet, Stockholm	5,000	0	0
Verband schweiz. Konsumvereine, Basle	4,291	16	11
Co-operative League of the U.S.A., Chicago	1,076	7	6
Centrosoyus, Moscow	5,000	0	0
Students at I.C.A. School, 1955.....	5	10	0
Interest (C.P.B.S.)	1,322	18	6
	<u>£45,896</u>	<u>13</u>	<u>0</u>

Payments out of the Fund to date.

	£	s.	d.
The Mission to S.E. Asian countries.....	2,410	0	0
Mobile Film Unit (Ghana)	2,958	2	8
Printing Press (E. Nigeria)	1,060	16	4
Jamaican Project (to date)	921	14	6
	<u>£7,350</u>	<u>13</u>	<u>6</u>

The I.C.A. and the United Nations.

Since the last Congress, its consultative relations with the United Nations, and the three Specialised Agencies, I.L.O., F.A.O. and UNESCO have permitted the Alliance to express co-operative views on economic, social and educational policy, also to make contributions of direct value to the promotion of Co-operation in different parts of the world. To an increasing extent the I.C.A. is being geared into the practical tasks undertaken by those Organisations.

Representation at the headquarters of the Organisations has been shared for the most part by the permanent representatives Mr. L. E. Woodcock at New York and Dr. M. Boson at Geneva, who not only act as official I.C.A. observers at meetings but also keep in touch with various departments of the U.N. and I.L.O. Secretariats and occasionally present statements on behalf of the Alliance. In addition, the Alliance has received willing and effective help for representation at meetings of F.A.O. at Rome, and UNESCO at Paris from its Italian, French, Swiss and British affiliated Organisations. Members of the Executive and certain Auxiliary Committees have visited Geneva and Rome for special joint meetings with officers of I.L.O., F.A.O. and the Economic Commission for Europe. The President and Director have each had opportunities of discussing co-operative affairs with heads of departments at U.N. Headquarters. Representation at Regional Conferences and Seminars arranged by the International Organisations is referred to later under the appropriate headings.

Economic and Social Council - Regional and Special Commissions.

1. **International control of cartels and restrictive business practices** was the chief question of international economic policy, among those considered by the Economic and Social Council, of direct interest to the I.C.A. At the time of the Paris Congress the Report and Draft Agreement presented by the Ad Hoc Committee were being studied by the member Governments whose comments were duly reported to the Council at its 19th Session in the spring of 1955.

Meanwhile, certain National Governments endeavoured to induce the signatories of the General Agreement on Tariffs and Trade (GATT) to study private restrictive practices in conjunction with the tariffs and quota restrictions imposed by public authorities. In this they were unsuccessful. Nor was there any hope, when opinion came to be sounded, that ECOSOC might be persuaded to hand over the question officially to GATT. There was no doubt that some of the more influential Governments found the question of international control of restrictive practices embarrassing and would have preferred it to be quietly shelved.

The supporters of international action were accordingly obliged to fall back on a formula which would command enough votes in ECOSOC to keep the question alive. The resolution which was finally adopted without dissent, but with three abstentions from voting, provided that:—

- i. National Governments should be advised to continue to adopt measures against restrictive practices and to report on them to the Secretary-General;

- ii. The Secretary-General should circulate the information collected, together with the observations of appropriate international bodies;
- iii. The Secretary-General should assist the exchange of experience between Governments and suggest to some later Session of the Council that further consideration be given to the whole question.

From the standpoint of the I.C.A., 'this' resolution cannot be regarded as anything but a very disappointing conclusion after four years' work and one which does no particular credit to the Governments participating in the Economic and Social Council. Some small consolation may, however, be derived from the fact that the I.C.A., because of its consultative status, will have opportunities to submit its observations and, perhaps, hasten the time when the Council will take up the question again.

2. The Paris Congress, on the motion of Kooperativa Förbundet, called attention to legislation, still in force although obsolescent, which hindered the extension of modern and more rational methods of distribution and instructed the Secretariat to bring the question of its repeal before the Economic and Social Council. Replies of affiliated Organisations to a questionnaire showed that this problem was limited almost entirely to a number of European countries. The information collected was, therefore, submitted, in the form of a memorandum first of all, to the Economic Commission for Europe as the organ of ECOSOC directly concerned.

Certain points in the memorandum were taken up in the Commission's Economic Survey for 1955 and were discussed at its 11th Session when the I.C.A. representative was permitted to make an oral statement. The importance of the question was admitted, but it was pointed out that it was by no means an all-European question and, in any case, could not be included in the Commission's immediate programme of work. There can be no doubt, however, that the rationalisation of distribution is an important aspect of the general question of the productivity of European industry and commerce, and is, therefore, an appropriate subject for the Commission to study.

At the 5th Session of the E.C.E. Committee on the Development of Trade, October, 1956, the Czechoslovakian Government proposed that the Committee "should take up the question of exchange of information in the field of organisation, techniques and mechanisation of retail and of wholesale trade." Although the proposal was not formally adopted, the I.C.A. was invited by the Executive Director of E.C.E. to put forward suggestions on how the Alliance might assist the exchange of information proposed.

3. Closer working relations have been established with the Division of the E.C.E. Secretariat responsible for **housing problems**. The half-yearly meetings of the E.C.E. Housing Committee are now regularly attended by Mr. L. Robert

(France), a member of the Auxiliary Committee on Housing, as I.C.A. observer. In February, 1956, the I.C.A. Housing Sub-Committee had a very satisfactory interview with the head of the E.C.E. Steel, Industries and Housing Division. The section of a report on Housing Trends and Policies dealing with Co-operative Housing - a first study by the E.C.E. of financial aspects of Co-operative Housing - was submitted to the Chairman of the Housing Auxiliary for comment, and the work is being pursued in 1957 in collaboration with the I.C.A. Committee.

4. The Social Commission of the Economic and Social Council has also recognised the possibilities of Co-operation as an element in the development of healthy community life, especially in the less-developed countries. At its Tenth Session, May, 1955, the Commission adopted a resolution on "**Principles of Community Development**," which recommended that special attention should be given to the contributions which various movements, in particular the Co-operative Movement, might make to balanced community development programmes. The specific mention of the Co-operative Movement, however, was amended to a reference to "different forms of co-operative action" when the resolution was finally adopted by the Council. Yet in its modified form the resolution indicated a widening field for collaboration between the I.C.A. and the U.N. Bureau of Social Affairs, and the Alliance contributed useful documentation to a Conference of experts convened by the Bureau in the Spring of 1956. The appointment of an experienced Co-operator to the U.N. Secretariat to aid both the Bureau and the Technical Assistance Administration is under consideration for 1957.

5. The United Nations' Children's Fund (UNICEF) depends upon the interest of Non-Governmental Organisations, both for raising funds and for executing schemes and projects. It, therefore, established a Committee of N.G.O.'s which the I.C.A. joined in May, 1956.

Part of the milk and milk powder required for a child nutrition scheme in Bombay which is supported by UNICEF is obtained from a Co-operative Milk Producers' Organisation, the Kaira Dairy Union. Collaboration with this Organisation, its affiliated societies and the various authorities concerned has been so successful that UNICEF proposed to the I.C.A. that the Kaira Dairy Union should be made the subject of a film which could be useful both to UNICEF for arousing interest in its work and to the I.C.A. for showing how a Co-operative Milk Processing and Marketing Society can be organised amongst people inexperienced in Co-operation. It is hoped that this project, which requires the collaboration of UNICEF, the U.N. Film Division, the Indian Government, the Kaira Dairy Union and the I.C.A., will materialise.

6. The proceedings of the U.N. Atomic Energy Conference have been followed closely by the I.C.A. representative in New York, who has taken part in discussions regarding consultative relations between the Non-Governmental Organisations and the Atomic Energy Agency to be established. The Conference has already agreed that, under Article 16 of the Statutes, the Agency has authority

to enter into agreements or establish appropriate relations with any other organisation whose work is related to its own activities. The machinery for these relations is now under discussion, the procedures already adopted by ECOSOC being taken as a model.

7. Since the Paris Congress, it has been possible for the Alliance, through its affiliated Organisations in India, Japan, Brazil and Colombia, to be represented at the Sessions of the **Regional Economic Commissions for Asia and the Far East (ECAFE) and for Latin America (ECLA)**, as well as certain of their Committees, and so give visible and audible expression to its interest in their work.

International Labour Office.

An outstanding event in the relations of the I.C.A. with the I.L.O. was the Conference with the Director General and members of the Secretariat at Geneva in January, 1956. This Conference was sought by the I.C.A. in order to bring to the attention of the I.L.O. certain co-operative developments, particularly in the fields of Housing and Workers' Co-operative Production, of which it appeared to have taken insufficient notice. In particular, the resolution on housing passed at the European Regional Conference at Geneva in February, 1955, although it made specific mention of Co-operative Housing Societies, did not satisfy the I.C.A. Auxiliary Committee on Housing, and its observations, although submitted in writing, were not discussed by the Governing Body; further, the Director General's annual report for 1955, which dealt with labour-management relations, made no reference to the special experience of Workers' Co-operative Productive Societies.

The Director General willingly granted the interview at which a strong I.C.A. delegation, headed by the President, and representing the Executive and the two Auxiliary Committees, was present. Meetings were also arranged with I.L.O. officers specially responsible for Technical Assistance, Housing and the study of Industrial Relations which resulted in a profitable exchange of information and ideas. The Director General expressed appreciation of the initiative taken by the Alliance and the opinion that such meetings should be held regularly.

It is a matter for considerable gratification to co-operators that the Co-operation and Handicrafts Service, through which the I.L.O. and the Movement have maintained contact for many years, was raised to the status of a Division in the autumn of 1956. Mr. G. N. Lamming, chief of the Service since 1948, has continued to serve as Deputy-Chief of the Division.

In 1956 the International Labour Office initiated a systematic programme of workers' education which was not merely vocational but designed to equip workers to shoulder their social responsibilities. One of the first fruits of this programme was the publication of *Co-operation: A Worker's Education Manual* by Mr. Maurice Colombain, formerly Chief of the Co-operation and Handicrafts Service. In March, 1957, the Governing Body approved arrangements for convening a Conference of Experts in Workers' Education at Geneva in December, 1957; the I.C.A. submitted to the Director General the name of Mr. Ch.-H. Barbier as an expert qualified to make a valuable contribution to such a Conference, and its recommendation has been accepted.

The Alliance has been represented at regional meetings arranged by the I.L.O. in America. A Technical Meeting on Co-operatives, held at Mexico City in December, 1955, was attended by Mr. E. Kendall (U.S.A.) as its observer, also by leaders of affiliated Organisations as members of national delegations. The agenda comprised :—Co-operative problems and programmes for co-operative development in American countries; Comparative study of co-operative legislation; Co-operative education and training. The resolutions passed under each of these heads gave useful guidance to Governments desirous of promoting the growth of Co-operation on sound lines within a suitable legislative framework, and pointed out the need to co-ordinate the co-operative educational programmes of both Governments and Non-Governmental Organisations.

At the 6th Regional Conference of American States' Members of the I.L.O., Co-operatives constituted one of the four main items on the agenda. Here again the resolution finally adopted, although not supported by the employers' representatives, gave valuable pointers to Governments by stressing not only the value of Co-operatives as aids to raising standards of living, but also the need for them to become independent and self-supporting if they are to yield all the benefits of which they are capable.

The collaboration of the I.C.A. and its members in supplying information for a new edition of the *I.L.O. Directory of Co-operative Organisations* has been requested. This, the first issue since 1938, will satisfy a practical need which has now become urgent.

Food and Agriculture Organisation.

A notable step forward in collaboration was taken when the Chief of the Agriculture Division extended, and the I.C.A. Executive accepted, an invitation for a delegation to visit Rome for consultations on co-operative problems of common interest to both Organisations. These consultations, in which members of the Technical Assistance Sub-Committee took part with co-operative specialists on the staff of F.A.O., covered almost the whole field of technical assistance with regard to Agricultural Co-operation, and produced several constructive suggestions which are still being worked out.

Two projects are worthy of mention because they represent an attempt to present European Co-operative Movements in terms easily understood by co-operators from less developed regions. The first is a brochure descriptive of a National Co-operative Movement and its experience, indicating what lessons may be learned from it. The Press, Education and Propaganda Department of the Swiss Co-operative Union, V.S.K., has undertaken to prepare the first draft of such a work on Switzerland. The second is a Seminar on Co-operation, to be held in Europe but attended by Co-operators from other continents, planned in such a way that co-operative development is studied at village level. It has been agreed that this Seminar shall be held in 1958 and it is hoped that one of the International Organisations will be able to make a grant towards travelling expenses so as to ensure a widely representative participation.

An additional co-operative expert was appointed to the Rural Welfare Branch in 1956 to cope with the expansion of F.A.O.'s work in the co-operative field.

A Conference on Co-operation convened by F.A.O. at Georgetown, British Guiana, in January, 1956, at which the I.C.A. was represented by Mr. A. A. Carney, its correspondent for the Caribbean, gave prominence to the problems of training, both for the co-operative supervisory staffs of Governments and officials and employees of Co-operative Organisations. It emphasized the need for international aid and closer collaboration between neighbouring territories in the provision of training centres and other facilities.

With regard to its wider tasks in the fields of agriculture and nutrition, the representatives of the I.C.A. attending the F.A.O. Conference in November, 1955, emphasized the importance of F.A.O.'s enquiries in the sphere of marketing since the better distribution of the food produced in the world is largely a problem of increasing the purchasing power of consumers. It is precisely at this point that the Co-operative Movement could make an important contribution because of its influence on costs and prices.

U.N. Educational, Scientific and Cultural Organisation.

Practical Collaboration with UNESCO in the spheres of adult education, exchange of persons and youth organisation, has been continued and extended since the Paris Congress, and has been of inestimable benefit since it has enabled the Alliance to realise aims hardly attainable otherwise with its modest resources. This has been made possible, not only by the friendly relations maintained between the officers of both Secretariats, but also through participation in the Consultative Committee on Adult Education. Mr. Ch.-H. Barbier has continued to be the Alliance's representative on this Committee, of which he was elected Chairman in 1956 in succession to Professor G. D. H. Cole.

1. Thanks to the financial aid and organisational support of UNESCO, the I.C.A. has continued to break new ground in its adult educational work. First, in January, 1955, a fortnight's Seminar on Economic, Social and Educational Problems of the Caribbean with special reference to the Co-operative Movement was organised by the I.C.A. at Christiana, Jamaica, and attended by 35 students from 12 countries on the mainland and the islands, for the most part leaders of Co-operative Organisations. The Seminar was the first of its kind in the Caribbean to be planned for their needs, rather than for Government officers, besides being the first to be organised by the I.C.A. outside Europe. Apart from the value of the ideas exchanged and the inspiration received, the Seminar brought about closer mutual understanding between the I.C.A. and the Co-operative Organisations of the region, with the appointment of a regular I.C.A. correspondent and certain projects for technical assistance as further results.

In June, 1956, the Second International Seminar for Women Co-operators was organised at Innsbruck. The grants provided by UNESCO in aid of travelling expenses made it possible for affiliated Organisations in Malaya, Ceylon, India and E. Nigeria to appoint participants, and it is certain that their presence, apart from the contributions of a very high order which they made individually, raised the tone of the Seminar while giving its members a sense of the reality of International Co-operation scarcely possible in any other way. Besides opening up fresh

subjects, the Seminar followed up the work of the first Seminar, held at La Brévière in 1953, and it is the unanimous opinion of the Executive that this work is of such value that it must continue, with or without UNESCO aid.

2. Under the various schemes for the Exchange of Persons, Co-operative Organisations of many different types in Europe have continued to benefit by the Workers' Study Tours. In 1955, 11 co-operative groups received travel grants out of 24 which applied, and 7 out of 37 in 1956. It is still insufficiently appreciated by Co-operative Organisations that the number of applications granted bears a rough proportion to the number received, and the decline in the number of grants to Co-operatives in 1956 is due to the great relative increase in the applications received from trade unions and workers' educational associations. The number of co-operative applications for 1957 was 49, of which 14 were granted.

The Alliance has also participated in the organisation of what are known as "longer-term exchanges." Grants are made by UNESCO to cover the travel expenses of workers who agree to reside and work for periods up to twelve months in another country, in order to acquire a direct understanding of its language, culture and conditions of life and labour. Austrian, German, Norwegian and Swiss Organisations have already arranged such exchanges for their employees to the satisfaction of all parties concerned. On the whole, however, these possibilities do not appear to have aroused among the affiliated Organisations as much interest as they would merit or might have been expected.

By a decision of the UNESCO General Conference in 1954, the Exchange of Persons Scheme was extended to Asia and Latin America. With its aid, exchanges were arranged between the Indian and Japanese Co-operative Unions, while Co-operators from Organisations in the Spanish-speaking countries not yet affiliated to the I.C.A. made useful and instructive tours within their own region. Budget limitations have so far prevented these exchanges from being organised on an inter-continental basis.

3. Contact with UNESCO on problems of youth organisation was maintained until April, 1956, by the Youth Officer of the British Co-operative Union who was, at the same time, on the Committee of the International Federation of Young Co-operators. In 1955, UNESCO granted five travelling fellowships to Co-operative Officers from India, Trinidad, Puerto Rico, British Guiana and Ghana for the study of co-operative youth work in Europe. Their itinerary included attendance at the I.F.Y.C. Conference, the International Co-operative School at Brussels, and visits to Co-operative Organisations for young people in Austria, Switzerland, France, Belgium, Germany and Great Britain. The International Federation of Young Co-operators submitted to UNESCO an educational scheme called "Youth Helps Youth," comprising both study and practical help from country to country to be completed in 1956 and 1957. This was recognised by UNESCO for a grant towards the cost of printing the necessary study guide in three languages.

4. There has been regular consultation with the Public Liaison Division of UNESCO on various subjects, notably the Gift Coupon Scheme, and various

methods by which UNESCO can become better known and appreciated by the general public. On the whole, Co-operators have preferred to subscribe to the I.C.A. Development Fund, so that the number of co-operative projects under the Gift Coupon Scheme has only grown very slowly. Collaboration between the I.C.A.'s affiliates and their respective National Commissions for UNESCO tends, on the whole, to extend and improve. The research study on Co-operation and Citizenship in Rural Communities, carried out by the I.C.A. at the request of the Department of Social Sciences, was completed in the autumn of 1954 and the resulting memorandum has since been used for documentation by the U.N. Bureau of Social Affairs, the Pan-American Union, and the I.C.A. Women's Seminar.

5. It was precisely because of the growing effectiveness and success of the practical activity outlined in this report that the Director General's proposals to reduce the Adult Education and some of the Exchange of Persons budgets for 1957-58, as well as to discontinue the meetings of the Consultative Committee, caused astonishment and dismay amongst the Non-Governmental Organisations which had collaborated whole-heartedly with UNESCO in these fields. Led by the International Federation of Workers' Educational Associations, a number of them, the I.C.A. included, made a collective approach to the Director General but did not succeed in persuading him to change his decision.

The final decision on the budget and programme rests with the biennial General Conference of delegates appointed by the member Governments. The Non-Governmental Organisations, accordingly, had only one way of making their view prevail and that was by appealing to their national affiliates to secure the support of their respective Governments. Fortunately, a number of the more influential Governments were in favour of increasing rather than reducing UNESCO's overall budget, and the cuts in Adult Education and the Exchange of Persons allocations were restored by the Conference with virtual unanimity. The work will, therefore, be carried on in 1957 and 1958 on a scale not less than that of preceding years.

U.N. Technical Assistance.

Every year a number of projects for the promotion of Co-operation in under-developed countries are included in both the Regular and the Expanded Programmes of Technical Assistance approved by the Economic and Social Council through its Technical Assistance Committee. The I.C.A. is regularly informed of these projects through the circulation of official documents, but it is still true, as was said in the Central Committee's report to the Paris Congress, that the Alliance rarely receives information soon enough to permit it to influence decisions reached, either on the scope of a given project or the personnel required to carry it out. This question has been discussed with the officials concerned, notably at the International Labour Office in February, 1956, when the procedure by which proposals are made by national governments and considered by the International Organisations was explained. The I.C.A. representatives, however, remained unconvinced that more could not be done to provide fuller information at an earlier stage in the discussions so that it might make a positive contribution whenever it was in a position to do so.

This exception apart, it may be said that there is generally increasing mutual information and consultation between the I.C.A. and the U.N. family of Organisations on Technical Assistance matters concerning the Co-operative Movement. Of this, the acceptance by the Chairman of the Technical Assistance Board, who gave a talk to the Caribbean Seminar, of the invitation to address the Stockholm Congress is gratifying evidence.

Although the greater part of technical assistance in the co-operative field is carried out by the I.L.O. and F.A.O., a certain amount is also undertaken by the U.N. Technical Assistance Administration. It is this office which initiated the brilliant pioneer work in Haiti of Mr. G. G. J. Mouton and it is desirous of playing an even more useful rôle in supplementing the efforts of the two Specialised Agencies. A proposal to organise a Seminar on Co-operation in West Africa, similar to the one in the Caribbean, has been under consideration since 1955, but has been retarded by the difficulty of finding a suitable venue. If this problem can be solved, possibly with the help of the French authorities, the project may well be realised in the winter of 1957-58.

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

Organisation for European Economic Co-operation. By correspondence and exchange of documentation the I.C.A. has been in contact from time to time with the European Productivity Agency which has made a number of studies of the organisation of distribution and its institutional framework. The question of a unified market in Europe for agricultural products, which was first considered by an International Committee of Ministers of Agriculture, was handed over at the end of 1954 to O.E.E.C. which set up a Ministerial Committee for Agriculture and Food. This Committee, meeting in 1955, decided to work for the co-ordination of national agricultural policies, the liberalisation of trade and more extensive work on productivity—all of which fall considerably short of the ideal of a common market.

Organisation of American States. The Division of Labour and Social Affairs of O.A.S., which is also known as the Pan-American Union, has a Co-operative Section which is frequently in contact with the I.C.A., and as a result of conversations between their representatives at the I.L.O. Technical Meeting at Mexico City in December, 1955, the O.A.S. prepared a translation in Spanish of the Rules of the Alliance for the information of Organisations in Latin American countries which might be contemplating affiliation.

South Pacific Commission. This Inter-Governmental Commission has a co-operative section directed by an experienced European officer who provides regular technical assistance to young Co-operative Movements in the Polynesian and Melanesian archipelagos. At its 1955 meeting, the Commission decided to convene a Conference on Co-operation at Port Moresby, New Guinea, the date of which has since been fixed for 1958. The exchange of experience provided by such a Conference may be expected to give a considerable impulse to co-operative development in the Pacific, and the I.C.A., which has already been consulted about the programme, will probably be represented through its affiliated Organisation, the Co-operative Federation of Australia.

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

A regular interchange of publications, documents and information of various kinds is maintained with other International Organisations, notably International Chamber of Commerce, International Federation of Agricultural Producers, European Confederation of Agriculture, World Federation of United Nations Associations, International Federation of Workers' Educational Associations, and Union of International Associations. The Alliance is also represented at Conferences of Non-Governmental Organisations convened by the United Nations, F.A.O. and UNESCO.

The effectiveness of these general Conferences is not enhanced, however, by the increase in the number of participating Organisations, but rather the reverse. The growing internationalisation of every aspect of life results in the creation every year of as many as 150 new international organisations, each representing some special interest or idea and demanding recognition from U.N. or one of the Specialised Agencies. Because of their great differences of aim and constitution, it is rare for these organisations to agree on a common approach to U.N. on a given subject, nor are the great majority so directly representative of, or responsive to, public opinion as the major International Organisations which, like the I.C.A. and others mentioned above, have the backing of great people's movements and are world-wide in extent.

The cleavage between the small sectional organisations and those which, because they are involved in the work of U.N. at so many different points, have been granted Consultative Status in Category A is widening. The latter find their views reflected less and less in general NGO Conferences and are, therefore, led to seek other means of giving them effective expression. Informal discussions with this object were initiated between them in 1956.

International Chamber of Commerce.

The I.C.C. Commission on Distribution, on which the I.C.A. is represented by Mr. Ch.-H. Barbier, continues to study commercial and economic problems of great importance to the Consumers' Co-operative Movement no less than to private retail and wholesale trade. The documents prepared for the Commission, although written from a different standpoint, are exceedingly useful for comparison with the results of the I.C.A.'s own economic research. For example, in the last few years, the two Organisations have been obliged to devote more and more attention to Consumer Credit which plays a rôle of steadily increasing importance in the distribution of durable consumers' goods. They have the same interest in ascertaining the facts, even if they draw divergent conclusions about the social value of consumer credit and the need for legislative regulation.

The I.C.C. has continued, with I.C.A. support, to work for the simplification of customs procedures and the removal of other legislative and administrative hindrances to the free flow of trade.

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International Federation of Agricultural Producers.

Co-operation in the sphere of agriculture is the chief common interest shared by the I.C.A. with the I.F.A.P., which regularly invites the Alliance to meetings of its main International Committee on Co-operation as well as of the smaller Committee which deals with Agricultural Co-operation in Europe, organises regular annual study courses and institutes enquiries into special problems. Both Committees are always desirous of learning from I.C.A. representatives what is the experience and practice of the Alliance in particular branches of organisation and work, and of adapting what they learn to the special purposes of the I.F.A.P. Beyond this, the two Organisations come into contact through their consultative status with F.A.O. and find themselves on common ground in pressing for truly international solutions of problems such as the stabilisation of commodity prices and the handling of world food reserves, as against solutions which are biased or rendered inoperative by powerful national interests.

More recently, they have been in consultation concerning anti-co-operative agitation promoted by organisations of private traders on the international level. The agitation is directed in the name of fair competition against privileges alleged to be enjoyed by Co-operative Organisations, especially the exception or exemption of co-operative surpluses from taxes levied on profits. The chief danger of this agitation lies in the fact that it seeks to mislead the legislator and the public about the true nature and objects of Co-operation by representing Co-operative Societies to be merely business enterprises like any other. The precise means by which this agitation is to be jointly counteracted have not yet been determined, but the object will be to correct in a positive manner any misleading impressions which may have been conveyed to Members of Parliament, Ministers and Government Departments.

Co-operation in Czechoslovakia.

The Congresses at Copenhagen and Paris adopted Central Committee recommendations defining, more precisely, eligibility for membership of the Alliance.

The recommendation to the Copenhagen Congress was in the nature of a definition of genuine co-operative principles to be applied by the Executive, under Article 8 of the Rules, to all Organisations applying for membership, with the proviso that it should not be applied to Organisations already affiliated.

The recommendation to the Paris Congress, submitted as a logical and essential addition to the definition of genuine co-operative principles, applied specifically to Organisations already affiliated which voluntarily or involuntarily effect a change in their constitution by which they no longer conform to the statutory conditions of membership.

This second recommendation was necessitated, in particular, by reports on the re-organisation of the Movement in Czechoslovakia, brought to the notice of the Executive in February, 1953, which had resulted in the Consumers' Co-operative Societies in Prague and other towns being handed over to the State trading shops, and in co-operative retailing being confined to rural areas.

The late Mr. A. Zmrhal, as President of Ustredni Rada Druzstev, in a report sent to the Alliance at the request of the Executive, while strongly defending the re-organisation as being "carried out on the basis of voluntary decisions and approval of the responsible bodies of the Co-operative Societies and Co-operative Movement without any interference or intervention on the part of the Government or individual Ministries," said "It is necessary to acknowledge that this re-organisation means a serious change in the Movement; there will be a certain loss of membership in towns where State retail trade has strengthened its position in the past two years . . ."

Having considered this report, and other available documentation collected by the Secretariat, the Executive, in November, 1953, adopted two resolutions:-

1. That the Secretariat shall convey to the Central Co-operative Council of Czechoslovakia the serious fears of the Executive at what has happened within the Czechoslovak Co-operative Movement as regards the Urban Consumers' Societies; and shall inform the Central Co-operative Council that, should this process of "stateisation" go further, the Executive would be obliged to consider its consequences, that is to say, as to whether the Czech Co-operative Movement could continue to be regarded as complying with the Rules and principles of the International Co-operative Alliance.

2. The Executive requests the Policy Sub-Committee to study whether the new interpretation of Article 8 of the Rules of the I.C.A., and the fact that it is only applied to new applicants for membership, really corresponds to the present situation. In particular the Policy Sub-Committee is requested to consider whether a fundamental change in the status of a member of the I.C.A. should not have some consequences for the status of such member in the I.C.A.

The following year, April, 1954, the Central Committee accepted the recommendation of the Policy Sub-Committee, already approved by the Executive, to submit to Congress as an addition to the definition of genuine co-operative principles that:—

"should an affiliated Organisation at any time voluntarily or involuntarily effect a change which means that it no longer complied with the statutory conditions of membership, such Organisation would make itself liable to the application of Articles 13(a) and 11(c) of the Rules,"

and postponed their decision on the continuance of the membership of the Czech Movement pending the decision of Congress on this further interpretation of Article 8.

Congress having approved the recommendation, the question came before the Central Committee in September, 1955, at their first ordinary meeting after Congress, when it was referred back to the Executive "to continue, by whatever means they consider appropriate, to investigate the question." In particular, the Executive were to consider statements on the present position of the Czech Movement and a new co-operative law, made during the discussion by members of the Czech delegation.

After further investigation on the lines indicated, the Executive, in February, 1956, decided to reaffirm the warning given to Ustredni Rada Druzstev in their resolution of November, 1953.

The Central Committee, at Moscow, September, 1956, noted the conclusion of the Executive.

The Czechoslovak delegation, in their name and that of the Movement as a whole, took cognizance of the conclusion and asked that the question be regarded as closed.

They also made a statement on recent successes and future plans of the Movement, which, the President said, were noted with interest but, at the same time, he reminded the delegation that "it was not without reason that the Executive and Central Committee had taken a certain attitude towards the changed situation of the Consumers' Co-operative Movement in their country."

Relations Between the I.C.A. and the Argentine Federation of Consumers' Societies.

The relations between the Alliance and the Federación Argentina de Cooperativas de Consumo, Buenos Aires, were in abeyance from May, 1953, until September of last year as a result of the destruction of the political neutrality of the Federation when, at the General Assembly in April, 1953, the late Bernardo Delom was forcibly removed from the presidential chair and members of the Board of Directors who, like him, refused to recognise Peron as the spiritual head of the Movement and to pay homage to his deceased wife, were turned out of office, a new Board of Directors composed of Peronists was appointed with the result that the Organisation lost its voluntary character and independence and was subjected to the existing dictatorial régime.

The refusal of the Alliance to recognise the new authorities of the Federation was followed by a series of highly critical and some extremely abusive letters and declarations from the Federation and certain of its affiliated Societies.

Although relations were de facto in suspension and no membership subscriptions were accepted, the Federation was given the right to be represented at the Paris Congress, and its President, Mr. A. Ponce, attended. During the Congress his nomination as the Federation's representative on the Central Committee was handed in and he asked to take part in the meeting following the Congress. The Central Committee having agreed to co-opt Mr. Ponce under the authority given them by Congress, he took his place in the meeting and after conveying greetings from Argentine Co-operators, asked that a delegation be sent to Argentina to investigate the co-operative situation. As the Central Committee had agreed that there should be no debate on the question this statement was simply noted.

At the General Assembly of the Federation in April, 1956, after the fall of the Peron Government and régime, the late Bernardo Delom, who had steadfastly and openly, by his pen, maintained his opposition to the régime although owing to a paralysis he could not take any active part in co-operation, was unanimously acclaimed Honorary President of the Federation; the resignations of the members

of the Board who had not already left were accepted; a declaration was unanimously adopted repudiating the persons who had destroyed the political neutrality of the Organisation; it was decided to investigate all the actions of the Directors and Committee members who had been in office from April, 1953 to April, 1956; and a Committee was appointed to study and report on a proposed amendment to the rules governing the constitution and tasks of the Board of Directors.

In a letter dated 12th June, 1956, the new Directors of the Federation expressed their deep gratitude to the Alliance for the moral support it had extended to free co-operation in Argentina, and particularly for the encouragement which this gave to men like Bernardo Delom to defend the universal principles of co-operation in dangerous and difficult circumstances.

The Central Committee in September, 1956, noted with satisfaction the removal of the régime which had destroyed the neutrality of the Federation of Argentine Consumers' Societies and its freedom of action in accordance with the principles of Rochdale; declared the de facto suspension of relations between the I.C.A. and the Federation to be at an end; expressed their hope that with the restoration of its former free and democratic character the Federation, with the help of its affiliated Societies, would be able to overcome the difficulties resulting from the events of the three previous years, that its economic situation would be restored and normal activities resumed.

Hungary and Egypt.

At its meeting in February last the Central Committee took note of the following resolution, adopted by the Executive at Paris, December, 1956, by 10 votes to 3:—

The Executive Committee of the International Co-operative Alliance meeting in Paris on 11th December, 1956:—

Recalls the Peace Policy of the I.C.A., contained in the resolution which was carried without dissent by the International Co-operative Congress at Copenhagen in 1951 which defines as the first pre-requisite for peace "that in every country of the world people shall enjoy freedom of thought, freedom of speech, freedom of movement, freedom to elect their Government by democratic methods . . .";

Welcomes the action of Great Britain, France, Israel and Egypt in responding to the demands of the United Nations for a cease-fire and the withdrawal of armed forces from Egypt;

Believes that such willingness of nations to act in accordance with decisions of the United Nations, side by side with the formation of an international police force, is the only way in which progress can be made towards the early clearance of the Suez Canal and a settlement of the middle eastern problem under the auspices of the United Nations;

Condemns vigorously the appalling callousness of the continuing intervention by the U.S.S.R. in the affairs of the Hungarian people by unwarranted

military action, the indiscriminate slaughter of innocent people, the deportation of helpless victims, the continued refusal of the U.S.S.R. to respond to the repeated demands of the United Nations Organisation to cease such inhuman activities, to admit U.N. observers, to withdraw its forces from Hungary, and to permit the Hungarian people to elect their own Government by democratic methods;

Calls for the utmost generosity in making provision for the care of the victims of Russian aggression in Hungary;

Urges all co-operators to press their Governments to give stronger support to the United Nations Organisation that it may become an effective means of establishing and maintaining peace in all parts of the world through universal observance of the Charter and of international law.

World Oil Resources.

In a memorandum to the Central Committee at its meeting in February last, Consumers' Co-operative Association, Kansas City, referred to the disturbed conditions in the Middle East and urged the need for a new effort on the part of the I.C.A. to interest the United Nations in a plan to regulate and administer world oil resources in a way that would eliminate the constant threat of international strife.

A draft resolution was submitted, which after some amendment was approved by a majority vote:-

The past year has reminded peace-loving peoples all over the world of the delicate international problems that centre in the vast oil resources of the Middle East. It has reminded members of the International Co-operative Alliance of their declaration in 1948 that the United Nations should take steps toward a system of regulation of world oil resources that would permit, by peaceful means, equitable access to those resources by peaceful peoples everywhere.

The International Co-operative Alliance, therefore, renews its plea for United Nations action. Events since 1948 have demonstrated that tremendous forces are brought to bear by governments and private interests in the never-ending struggle for control of the vast underground oil supplies of the Middle East. For several weeks in 1956 there was grave danger that events at Suez might explode into a major war.

The United Nations was created to remove the causes of war. The conflict over the control of the rich oil deposits of the Middle East constitutes, in the opinion of the I.C.A., a real potential cause of war.

The I.C.A., therefore, urges the United Nations to study the Middle East petroleum situation with a view to recommending whatever international regulations and procedures would assure the settlement of differences over access to these vast resources by peaceful means.

In view of the unlikelihood that the question would be accepted by the U.N. Economic and Social Council for its agenda in 1957; further, that in their opinion the question was one on which more research was needed and also greater efforts to enlighten the public on the importance of the oil question for world peace, the Executive decided to refer the question to the International Co-operative Petroleum Association with a view to receiving its advice before taking further action.

Obituary.

Co-operative Assemblies, National and International, must often pause while homage is paid to the memory of a leader or other outstanding co-operator who has passed away.

In the years since the Paris Congress, and in addition to the late President, **Sir Harry Gill**, the Central Committee have paid tribute to seven former colleagues who have died :—

Mr. Gustav Dahrendorf, German Federal Republic, Chairman of the Board of the German Co-operative Wholesale Society and the Central Union of Consumers' Societies.

Mr. A. Zmrhal, President of Ustredni Rada Druzstev, Prague.

Mr. Bernardo Delom, Honorary President of the Federation of Argentine Consumers' Societies.

Mr. Anders Oerne, Dr. h.c., former member of the Board of Directors of Kooperativa Förbundet.

Mr. A. J. Cleuet, former Administrateur Délégué of the French Co-operative Wholesale Society.

Dr. James Peter Warbasse, former President of the Co-operative League of the U.S.A., and following his retirement President Emeritus.

Mr. Thor Pedersen, General Secretary of Det Kooperative Faellesforbund i Danmark.

To the memory of these former leaders, also of many other men and women, the Congress will pay homage, remembering how much the loyal and unselfish service of men and women of all nations, of every colour, race and creed, has contributed to the achievements of Co-operation.

Marcel Brot,
President.

W. P. Watkins,
Director.

G. F. Polley,
General Secretary.

Discussion on the Report of the Central Committee

The President: The Report summarises the work carried out by the Alliance over the last three years, and we shall take it page by page. I should like to mention, in proposing its adoption, something to which the Report itself does not refer, namely the devotion to their work of the Director, the General Secretary and the whole of the staff of the Alliance during the last three years. They have done very much more work than we could have expected of them. We have tried to improve the headquarters of the Alliance, but there is still much to be done to help the Director and the staff to work in conditions which we could regard as satisfactory.

Mention is made at the beginning of the Report of the death of Sir Harry Gill and the change in the presidency, with the appointment of Dr. Bonow as a vice-president.

Membership and Subscriptions.

Mr. J. F. van Netten, Holland : In the last paragraph of the introduction to the Report it is stated that " If the Alliance has balanced its budget each year, it has been because of careful management and some limitation of its services and activities." I should be interested to know what these limitations of services and activities have been, because it should always be possible to increase the subscriptions from national organisations if proposals are put forward.

Mr. G. A. Bokov, U.S.S.R. : The Executive of the I.C.A. and also the Central Committee have recently on a number of occasions studied the question of membership subscriptions and in this connection there have been proposals for subscriptions to be in proportion to the economic development of each organisation. There was also a proposal to increase subscriptions for individual members from £96 to £250, and also to increase the subscription rates for collective members. Further, there was a proposal to introduce a lower scale of subscription for organisations in the lesser developed countries. The Central Committee did not come to any decision in connection with the increase of subscriptions, and I feel that it would be desirable to abide by the principle which has been in existence up to now; but, in connection with the proposals to increase membership subscriptions, we wish to make quite clear the position of the Soviet delegation.

Our delegation is of the opinion that the time has not yet come to alter the principles which have been laid down for the assessment of subscriptions, and we feel that we should not at the moment make any alteration in the rates of subscription laid down in Article 18 of the Rules. We must remember that at the Copenhagen Congress it was agreed to increase the membership subscriptions by 20 per cent, and the present subscriptions represent the maximum that some organisations can pay. There have been several cases where member organisations have been unable to pay even the subscriptions prescribed at present, and the arrears in subscriptions, as will be seen from the Report of the Central Committee, amount to over £2,000.

The maximum subscriptions are paid by the British and U.S.S.R. organisations, and represent a sum exceeding £16,000, or more than half the total of all the membership subscriptions. We feel, therefore, that it is not desirable to increase the fees for these two organisations, which are at a maximum. Moreover, the adoption of a proposal to increase subscriptions will make it even more difficult to get other organisations to join the Alliance, particularly in countries which are economically under-developed, as mentioned by the President and by Mr. Patel. That is why we are against any increase in membership subscriptions.

What are we to do if the membership subscriptions do not produce enough money to enable us to carry out our activities in accordance with our programme? We feel that one of the resources should be the Development Fund. This Development Fund has not been pressed sufficiently actively; at present only about 10 co-operative organisations have subscribed to it. We feel that this Development Fund could be developed considerably, so as to finance satisfactorily the requirements of the Alliance, particularly in regard to activities in the less developed countries. The Soviet delegation feels that we should make individual collections for other requirements of the Alliance and that these individual collections should be discussed by the Executive and by the Central Committee.

Mr. P. Takov, Bulgaria : The Report states that the problem of eligibility for membership of the Alliance has probably received more consideration than any other during the last 10 years and yet there are many organisations from a number of countries which still have not joined the Alliance. We must realise, therefore, that the problem of international co-operative unity has not been finally solved, but we shall all agree that that problem must be solved. Our many years of experience show us that in the light of mutual understanding and goodwill we shall be able to come to co-ordinated action.

I feel that the question of admitting to the Alliance all organisations which wish to join must be solved to the satisfaction of all parties. I certainly do not want to raise a discussion on this question now, and I do not insist on this problem being solved here and now; I should merely like to ask the Executive, and in particular the President, in a quiet moment after the Congress to study this question in a little more detail. We should like the Executive to find a means of solving the problem, at the next Congress expressing unanimous views which will lead to the solution of the problem. I am convinced that the Executive will be able to satisfy our request.

Mr. L. Smrcka, Czechoslovakia : I should like to give my point of view on the question of membership of the International Co-operative Alliance. My opinion is that of the Czechoslovak delegation and of the whole Czech Co-operative Movement. It is pointed out in the Report that the problem of eligibility for membership has received more consideration than any other, but I cannot say that I am in entire agreement with the way in which this has been done. We cannot continue always to adopt the attitude which has been taken, up to the present, with regard to the dependence or independence of co-operatives of State control, and this should not be used as a reason for discriminatory action against co-operative movements in various countries. There is no country where the co-operative movement is able to go against the laws of the country and in all

countries co-operatives are affected by the decrees of Ministers and of the Government. The I.C.A. itself, when it wants to hold a meeting in any country, must abide by the laws and regulations of that country, as is shown in the Rules of the Alliance.

It would be of interest to consider several questions, and especially why a co-operative movement develops more quickly in one country than in another and whether the laws of a country acts as a brake on the development of the co-operative movement or not, and whether capitalist monopolies do not have a very bad effect on, and threaten the existence of, co-operative movements.

In the I.C.A. the treatment of these questions regarding membership has not been adequate. Too much attention has been given to the examination of different categories of members, and in this way it has been possible to keep out a number of organisations which have applied for membership of the I.C.A. This is a practice which has been very disadvantageous for the Alliance and for the further development of the Co-operative Movement.

Mr. D. S. Timofeev, U.S.S.R. : It is stated in the Report that the Alliance, according to the latest figures received from affiliated organisations, now includes 41 National Co-operative Movements with nearly 125 million members. To answer the question of whether that is a lot or a little for an international organisation which has existed for over 60 years, it is sufficient to bear in mind that the number of members of Co-operatives throughout the world is over 300 million, and of this number 175 million are not members of the I.C.A. That will be greatly regretted by those who struggle for universality and unity of the Alliance. These Co-operators do not refuse to co-operate with the I.C.A. but at the meetings of the Executive and of the Central Committee the applications for admission by progressive and popular organisations such as the Chinese Co-operative Union have been rejected. No one, however, has produced any serious argument for rejecting the application of the Chinese organisation. Applications from co-operative organisations in a number of other countries have also been rejected.

It is clear that large masses of co-operators in all countries have condemned and do condemn this attitude on the part of the Central Committee and the Executive of the Alliance. We can say very hard things about such discrimination. It is true that the Co-operative Movements of the different countries work in varying conditions and different circumstances, but it has been said that co-operatives in certain countries do not have freedom of action, and it is also said that in the popular democracy countries Co-operatives have to apply to the State for the goods which they sell and that the planning authorities provide them with these goods. This in fact improves the work of Co-operatives, but it is sometimes used as an argument against the admission of co-operative organisations which are in this position.

The foundation of the Co-operative Movements is a truly democratic one. This principle of a democratic basis is observed and respected in the countries, applications from which have been rejected by the Executive. We should not tolerate this action by a majority group in the Executive. It is essential for the Executive to represent all points of view, because it is through discussion and the

exchange of views that we can find satisfactory solutions. Although perhaps on all questions we cannot come to a unanimous opinion, political differences are matters for political parties. On co-operative problems and questions we should be able to take unanimous decisions, as we have done on such matters as the development of international co-operative trade and on the resolution adopted by the Executive on peace. The Soviet delegation will do everything it can to increase the membership of the Alliance.

Mr. J. Voorhis, U.S.A. : In the President's inspiring Inaugural Address this morning he pointed out that the main business of the Alliance is the promotion of Co-operative Movements which are genuinely voluntary and free in all parts of the world. It is against this background that the question of membership has to be considered. Membership in the Alliance should be a sacred privilege, and the Alliance, in my judgment, has a solemn duty to protect the meaning of membership in the Alliance, in order that the Alliance itself shall, in no circumstances, be guilty of deceiving people with respect to what the nature of true Co-operation is.

It is obvious from the most elementary understanding of rational principles, that organisations, which, for example, do not pay patronage refunds and do not have voluntary membership, or which claim for membership a figure so large as to encompass the whole population of the nation, cannot in the nature of the case be in accord with the true principles of Co-operation. Those people who have built up by great effort genuine co-operative organisations, and brought into membership people who understand what Co-operation means to human dignity, and the power to joint action by people in solving their problems by voluntary means, are apt to be resentful of such figures.

It is my understanding that a study is going to be made of the whole question of membership. That study should be carried on, and action taken as a result of it, in the light of the obligations which the I.C.A. has to the new members who are coming in from countries where people have a deeper spiritual perception in many cases than have those of us who have been in the Alliance for a very long time, and who, therefore, ought not to be confused about what the meaning of true Co-operation is. We must be true to what we consider to be sound fundamental principles. If we are to build a kind of co-operative organisation to which the President referred, we must make it plain that membership in the Alliance has a meaning and an obligation which is beyond the payment of money and concerns the nature of the organisation, the manner of its building and the manner of its operation. Finally, such organisations must be able to pursue political neutrality and must be open to people of all political opinions.

Mr. U. Dumitru, Rumania : We do not altogether agree with the proposal made in connection with the increase of membership subscriptions, particularly taking into account the fact that many co-operative organisations which are members of the I.C.A. have limited financial resources, and already have difficulty in meeting their outgoings. At the meeting of the Executive in December of last year it was pointed out that many co-operative organisations which are members of the I.C.A. still had arrears for 1956, and it had been necessary to send them a special request asking them to pay their arrears before the end of the year. Further, the Executive took special measures with regard to the situation in Pakistan.

In the Report it is stated that the Alliance has been able to balance its budget each year, but, if the membership subscriptions are increased, the number of members who will be unable to pay them in full will increase also, and the Alliance will have to restrict its activities still further.

The Rumanian Co-operators consider that the revenue of the Alliance should be increased not by increasing the membership subscriptions but by increasing the number of organisations admitted to membership of the I.C.A. We feel, therefore, that we should reconsider the applications of a number of co-operative organisations which have declared their desire to be admitted to the Alliance. This refers in particular to the co-operative organisations of a number of other countries the activities and structure of which satisfy the conditions imposed by the I.C.A.

Another source of income should be the development of the Development Fund and the admission of other Rumanian, Bulgarian and Hungarian organisations. Rumania is a member of the United Nations and also a member of most of the Specialised Agencies of the United Nations. It is incomprehensible to us, therefore, why the Rumanian co-operative organisation is not yet called on to occupy its proper place in the I.C.A. The Co-operators of Rumania feel that an increase in the number of members should be the first method of increasing the revenue of the Alliance, and only after that should we take up the possibility of increasing the membership subscriptions.

Mr. J. J. A. Charbo, Holland: In dealing with the problem of eligibility for membership in this Report, it is stated that the re-organisation of former member organisations into State controlled movements would enable them to acquire a dominating influence within the I.C.A., and the Report goes on to say that, "to meet this situation the Central Committee recommended . . ." and so on. On the next page it is stated—and this is the end of the story up till now—that the Central Committee has requested the Executive to make a study of the whole question of membership.

I am not dealing with the end of the story now, but with the beginning. The Report says, "to meet this situation." What is this situation? Is it the possibility that some movements would acquire a dominating influence, the larger part of the votes, or is it something else? In my opinion it is something else. In my opinion, we have to decide whether such organisations really are co-operative organisations and really do fulfil the requirements for membership as laid down in our Rules. If the answer is that they do fulfil the requirements, there can be no question of whether or not they acquire a majority; if they do acquire a majority, it will be all right, and those who will then form the minority will have to accept their position or go out. There is no other possibility in a democratic organisation.

I hope that in the future we shall regard this as the essential question. It is not simply a question of who will be in a majority or minority in the near or more distant future in the Alliance. The only question which should be dealt with and answered in my opinion is whether a given organisation ought to be accepted as a member or not. I hope that the new Executive, which will have to carry out the duty imposed on it by the Central Committee, will settle the problem from this point of view and not from the point of view of who is in the majority.

Mr. G. Cerreti, Lega Nazionale, Italy : The Alliance must try to keep to co-operative principles, and its efforts to do so are praiseworthy and legitimate, but we should not mix up the principles which we should observe, with political questions and with individual and particular interpretations of political events. We are living in a changing world. Within the Alliance we should take into account, while observing the rules which lay down the principles of our organisation, these changes which are occurring on a considerable scale in the economically less developed countries. There will be no differences of colour or of State system, no difference in the spirit of solidarity and the action which Co-operators should carry on and stimulate in each country. This must be the real co-operative spirit. We should take into account the fact that it is the duty of the Alliance to extend the contacts between Co-operative Movements in all countries and all continents, and it should benefit by all positive experience which can contribute to the development of Co-operation in opposition to capitalist monopolies, whether it is a question of the development of propaganda in favour of our principles or of intervention to direct and guide the Co-operative Movements which are perhaps not altogether in accordance with our principles.

Our friends from the Scandinavian countries took the initiative in proposing the motion submitted to the Central Committee in February of this year and which is reproduced in the Report. An enquiry made on the lines suggested, if carried out in conformity with the spirit of the Alliance, should lead us to discover possibilities which so far have remained latent in the Alliance. I think the object of the proposal of our Scandinavian friends is to get rid of the accentuation of any movement towards disintegration which would prevent the Alliance from becoming universal, and to open the door to a scientific and objective examination of the different phases of co-operative development which are taking place in all the countries of the world, and which are very important in some countries and interesting in others, where the economy may be backward. We want to put before the whole world the alternative offered by Co-operation. It is our obligation, particularly in the case of the countries which will be associated in the Common Market, to ensure that there will be more Co-operation and less monopoly. It is for us to state that we must always consider the possibilities of enlarging the radius of Co-operation and of overcoming capitalist monopolies, which are the real danger at the present time, for the good of the future of humanity and of the peoples of our respective countries in particular.

Mr. Ch.-H. Barbier, Switzerland : I should not like some of the speeches which we have heard on this very important question to make the participants in the Congress feel that on the one hand we have an international spirit and on the other hand a very prosaic, down-to-earth spirit. I believe deeply in the future of humanity and in what the I.C.A. can do to achieve world unity. I think that the I.C.A. should have as its aim to establish this great community of all races and peoples, this great human community, but we should not lose the idea of our identity. It is unnecessary to emphasise what Mr. Charbo and Mr. Voorhis have said, and what has been repeated very often at our Congresses. It is essential, particularly to-day, to know and to point out very clearly what we want to do. At the meeting of the Central Committee at Helsinki and at the Conference at Copenhagen it was pointed out that Co-operatives must be completely free and independent and should have the possibility of taking up a position with regard to

any question which concerned their general interests independently of the State and all political parties. I should like to make the same appeal as my friend Cerreti and say that we should indeed be outside political influences whatever they may be. In countries where the right of free association does not exist, and where all free opinion is prevented, there can be no free and independent co-operatives. We have to go in the direction of liberty, which alone provides the essential condition for our Co-operative Movement and must be the essential condition for membership of the Alliance. We cannot be too careful in examining the applications for membership which come to the Executive. I believe in fraternity for the whole of humanity, but we cannot get there in a day or in three or six years, and we should not, in order to achieve our aims, depart from what are the deepest reasons for our movement and for our form of collaboration.

Dr. Malfettani, Confederazione Cooperativa Italiana : At the meeting of the Central Committee in London, the C.C.I. was amongst those who voted for all three motions presented on the question of membership. The first was that of the Swiss Union, for the application of Article 8 not only to Co-operative Movements applying for membership of the Alliance but to those that are already members. The second, proposed by the Dutch delegation, was for a modification of the interpretation of the Rules to make it possible for the position of members to be re-examined when they no longer corresponded to the provisions of the Rules. The third was the Scandinavian motion for the re-examination by the Executive of the whole question of membership.

Our point of view was closest to that of the initial motion. We think that the Alliance should not enter on political activities, but we have to take into account political events. The Scandinavian motion asked the Executive to study the whole question of membership in relation to the admission of members and the case of present members, taking account of the decisions of the Copenhagen and Paris Congresses. We had in mind the events taking place in Hungary and we agreed to ask that this should be done. In the international situation of to-day it may be that the examination of these questions is not one of the most serious of the problems before us, but it is useful to examine it in order to ensure that the membership consists of free co-operative movements. It is in this way that the Alliance can promote the observation of the principles on which it was founded. The Paris Congress confirmed that it is not the Alliance which should change its principles, but the members should try to make their position approach more closely the principles of the Alliance. We believe that to be true.

Mr. B. Melvin, Canada : The position which the Co-operative Union of Canada holds on this question of membership of the Alliance has been well stated by others than those from our delegation, and so it not my purpose to try to re-state it now, but rather very briefly to mention two or three aspects which cause me personally, and I am sure cause our delegation, very great concern.

It is very alarming to hear the suggestion that the financial and budgetary problems of the Alliance might be solved by means not closely connected with those problems. It is alarming to think that we should entertain the idea that because we have financial problems we might make some difference in the conditions of admission to membership. This is indeed disturbing.

It has also been suggested that, because of general conditions in the world changing, and because attitudes may appear to be changing on a world scale, the Alliance must make changes. This too is a matter which causes us great concern. The Alliance has stood by certain standards over a long period of time, and they are standards which have brought valuable results. We must pause and give very serious thought to the question before making any change.

Finally, I cannot agree with the suggestion which appears to be implicit in some of the remarks which have been made to-day, that because an organisation becomes larger in numbers and embraces a greater portion of the world's surface it is necessarily a stronger organisation. This may be true, but is not necessarily so. It seems to me that real community springs not from size, from numbers, but from a sharing of common purposes and common views. Let us be sure that we share all these purposes and views in common, and do not seek merely to be large, and thereby attempt to be strong. We have many instances in history, some of them more recent, which suggest to us that size is not a sure foundation for strength or for the ability to do useful work in this world.

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Mr. C. D. Prasada Rao, India : I entirely agree with Mr. Melvin and Mr. Voorhis when they say that the issue is one of principle rather than of trying to find money for the increasing activities of the I.C.A. The I.C.A. is, as I understand it, an organisation of co-operatives, not of different countries, and therefore the membership should be restricted by principles rather than by countries. It is not a question here of whether a particular country has been admitted; it is a question of whether a particular movement conforms to the principles laid down in the constitution of the Alliance; the Executive and the Central Committee have always admitted such a movement to membership of the Alliance. I agree with Mr. Melvin that the problem should be viewed from the point of view of the practice of co-operative principles rather than from that of admitting various countries to the Alliance.

Dr. M. Bonow, Sweden : It has already been mentioned in passing, and it is to a certain extent the background to the discussion which has taken place to-day, that the Scandinavian delegates at the meeting of the Central Committee at which membership questions were being discussed, did not support the Dutch and Swiss motions, so that it may not be out of place to say a few words about our psychological reaction to the happenings which to a certain extent have given rise to this discussion. Let me assure you that the Scandinavian co-operatives have been just as shocked and disgusted as the citizens of other free countries at the use of brutal military force against the Hungarian people who were trying to regain their liberty. I would add in this context that it is possible to show the futility of using force to repress liberties by an historical example. Tolstoy said in 1905 that because of the brutal suppression of an uprising at that time in Russia that this showed the futility and harm of using violence as a means of uniting men. The tragedy is that the dictators seem never to learn the lesson until they have brought immense suffering on their people. I wish to make this declaration because I think the psychological background must be dealt with first.

I should like to go on to say that if we leave feelings aside there remains, when we get to the bottom of the membership question, the very important question of whether we shall split up the present world organisation into two parts, one for the

Co-operative Movements in dictatorship countries, which are not free and voluntary, and cannot be in our opinion, and the other for the Movements in the genuinely democratic countries. This is a question of such vast dimensions, and affects the future of this world organisation so greatly, that the Scandinavian delegates thought, when we had the immediate threat that some of the democratic organisations in Europe—Switzerland, and perhaps also Western Germany and the Dutch movements—might leave the Alliance, it was necessary to gain time and absolutely necessary to have the opportunity to think over the whole membership question in a calmer atmosphere than that created by the recent terrible happenings.

This was the psychological background, but time does not permit me to enter on the question in detail. Very many important points of view have been expressed on this problem, and the new Executive has been asked to look at it after this Congress and will, I am sure, do its best to arrive at a solution which will keep the I.C.A. as a world organisation for free and voluntary Co-operative Movements and at the same time not break off all relations with the Co-operative Movements in State controlled countries, such Movements as are now within the Alliance.

The President: I must say that it would be unworthy of the Alliance to subordinate this question of membership to questions of financial necessities.

Close of the First Session.

SECOND SESSION.

Sunday Afternoon.

Discussion on the Report of the Central Committee

(continued).

Committees of the I.C.A.

The President: We will resume the discussion on the Report of the Central Committee and deal with the Committees of the I.C.A.

Mr. J. Nepomucky, Czechoslovakia: I do not wish to refer to the activities of the Executive, but only to take this opportunity to say a few words about its composition. We think that the composition of the Executive is too one-sided, inasmuch as it consists mainly of representatives of the Western Co-operative Movements, so that the representation does not correspond to the strength of the Movements in the different parts of the world. The membership of the Executive is decided by the Central Committee of the Alliance, but the delegates to Congress know the actual state of affairs in this respect and also know our attitude.

The Czechoslovak Co-operative Movement is one of the strongest numerically and has been a member of the Alliance for more than half a century. Our representatives have taken part in its work for a number of years, and Mr. Zmrhal represented Czechoslovakia in the Executive for a considerable period. It would only be right and fair for one of the seats in the new Executive to be occupied by a representative of Czechoslovakia. For this seat we shall put forward the candidature of Mr. A. Zabožnik, President of the Central Co-operative Council, who has represented our Co-operative Movement for almost 15 years. Moreover, in view of the strength of the Co-operative Movement in Asia and Africa, we would wholeheartedly support appropriate representation on the Executive being given to these parts of the world.

Please do not misunderstand me. We are convinced that if more national organisations were represented, this would be of benefit to the Executive. It would receive information from additional countries and representation of the Asian and African movements would be of benefit to the Alliance and to the development of international co-operation. In particular, it would have an influence on the promotion of the co-operative idea. I hope you will consider this suggestion, and take into consideration our justified demands when the new Executive is set up.

The President: I should like to clear up a misunderstanding with regard to the role of the Executive. All the Co-operative Movements here represented could make the same claim as our Czech friends, and the Executive would then be as

large as the Central Committee. The Executive is a small body which can do practical work. It is a body the members of which are able to meet frequently. They do not represent countries, but are people who are qualified to deal with the problems of the Alliance. If the Executive were a larger body it would not work as effectively as it does.

I should like to point out that to-morrow afternoon we shall be dealing with the Auxiliary Committees, so that those who wish to refer to them this afternoon will have to make only general remarks about them.

Mr. G. Tolino, Lega Nazionale, Italy : It is with particular satisfaction that we see that in this Report growing attention is paid to the activities of the Auxiliary Committees. This is extremely important, because it is by these Committees that the Alliance, as a central body, can establish practical contact with the general and individual problems which arise in the various branches of co-operative activity and can keep in contact with the general situation with regard to the Co-operative Movement and keep in touch with the general economic development of the world. The Auxiliary Committees represent technical specialisation which ensures contact with the experiences of Co-operators both as consumers and as producers, particularly from the human point of view. These contacts make it possible to exchange experiences and ideas, and this is recognised by everyone to be useful and indispensable if the Alliance is to maintain its place as an important and useful organisation in the present situation.

Nevertheless the Auxiliary Committees must not deal merely with theoretical problems; they must do practical work. We feel that any Committees which are not doing good work should be abolished. We in the *Lega Nazionale* believe, however, that the Auxiliary Committees are doing extremely useful work and that they should have a permanent secretariat and be able to maintain permanent contacts. This applies, among others to the Agricultural Committee. This morning several speakers spoke against increasing the revenue of the Alliance, but this problem is still important, because in view of the extraordinary changes which are taking place in the world situation the Co-operative Movement must occupy a prominent place, and this is highly important for the future of the world.

The Common Market is encouraging a number of people who have been fairly inactive to feel new hope and new enthusiasm. Millions of people are going to become new consumers, and therefore tremendous problems have to be solved in production and distribution, and the Co-operative Movement must take action accordingly.

Finally, I feel that a better organisation of the Auxiliary Committees would also help to achieve another aim : it would help to diversify and co-ordinate to a great extent the Report which is submitted to Congress. I feel that the agenda contains a great many points of interest to us, but they are not sufficiently co-ordinated. This morning our President gave us a brilliant exposition of the general situation, but that very interesting review should be reflected in the introduction to the Report, which should deal with the situation of the Alliance on the international plane. The Auxiliary Committees should be re-organised so as to be more in conformity with the problems which have to be solved, and this can be done particularly by a reconsideration of the terms of reference of the Auxiliary Committees.

Mr. H. Dietiker, Switzerland : In the Auxiliary Committees there is a gap to be filled in regard to education and schools. It seems to me that the existence of this gap is not justified. It is quite understandable that the number of Auxiliary Committees cannot be extended indefinitely, and there must be limits for financial and other reasons, but those of us who were at the Education Conference at *Vår Gärd* heard from various competent people—Mr. Brot, Mr. Barbier, Dr. Bonow, and in particular Mr. Patel—that the education of our members and the formation of opinion among our members should have a first place among activities of the I.C.A. I suggest, therefore, that a special Auxiliary Committee should be set up to deal with education. The same applies to the Press. I am not competent to speak on that subject, but I think that we ought to have an Auxiliary Press Committee.

It should be easy to form an Education Committee. We have the personnel available who are competent to serve on such a Committee, and they could prepare the work for the Education Conference, so that the essential questions can be discussed and we do not have very general discussions without getting down to concrete problems.

The President: The suggestion which has been made will be sent to the Central Committee for their decision.

Mr. F. Baart, Holland : I wish to refer to what is said in the Report concerning the various Auxiliary Committees and Sub-Committees. We agree that the committees have to do effective work, but we are sorry that it was not possible for the Sub-Committee for International Consultation and Collaboration to be continued in existence. We are glad, however, that part of its work, if we understand the position aright, will be done in future by the Co-operative Wholesale Committee. We should like to know how the Executive will put into practice its opinion that the number of Auxiliary Committees should be kept as low as possible, and what conditions will have to be fulfilled in future by such Auxiliary Committees. I suggest that there is a great need for the specialists at various levels working in the Press, the educational field and so on to come together and exchange experiences, as has already been done by the publicity officers and by the librarians and documentation officers, who have held technical conferences for which preparations can be made by working parties.

The President: There are two ways of bringing experts together to deal with different questions : there are the permanent Auxiliary Committees and there are the periodical conferences, such as that held for librarians. We do not want to multiply these indefinitely, but to have conferences with very precise programmes for a certain number of activities. When the Executive says that there should not be too many committees, that does not mean that it is forbidden to create committees when it will be useful to do so and they can work efficiently. Personally, I have reacted against the lack of efficiency in some committee meetings, which always disappointed me. On the other hand, having taken part during the past week in almost all the auxiliary meetings held here, I formed the impression that they worked with great efficiency and did very serious and precise work ; I did not find that the work was inconclusive. We are on the right road, and, if an

Auxiliary Committee has a secretariat and a Chairman who will look after the agenda and the setting up of working sub-committees, then in such Auxiliary Committees the Alliance will find a solid foundation for its activities.

Finance.

Mr. W. Serwy, Belgium : The financial question of the Alliance is a very delicate one, but we must have the courage to approach it, because our possibilities of action depend on our financial position. At the Copenhagen Congress we obtained some satisfaction, because there we improved our financial conditions which allowed the Alliance to improve its headquarters, to increase its staff, to have more qualified staff and to pay them better. That was the first step which we had to take, but we must go further. It took us more than three years to achieve these improvements; we raised this question in 1948. Time is necessary, but new needs arise as time passes. Not only have there been needs which we have not filled properly in the past, but there are new needs which face us.

Let me say something about these new needs. In the first paragraph under "Finance" it is stated that "the Alliance has continued to live within its income, but has been unable appreciably to expand its programme of work." That is the conclusion after three years of work, and it shows, in my opinion, that it is indispensable to increase our income. We have spoken of economic research, and we must strengthen our position so as to allow the Policy Sub-Committee of the Alliance to function. We must work out an education programme. Since 1946 we have been pressing for an education service. For Agricultural Co-operation we must be able to pay an assistant who is particularly well qualified on agricultural questions, so that we may be able to help the agricultural Co-operators. To carry out the decisions of the Technical Assistance Sub-Committee we shall require money.

I sincerely believe, therefore, that we have if possible to increase the funds at our disposal. If each of us examine his conscience and compares the sums devoted to social matters with those paid to the Alliance, many of us may be surprised to find that we are not altogether doing our duty. The organisation which I represent in Brussels is not in a very fortunate position financially, but we know that what we pay to the Alliance is only 2 per cent of what we devote to our own activities for documentation, education, and propaganda. The I.C.A. has a budget of about 6,000,000 Belgian francs, which, taking the number of consumers, amounts to no more than about 5 centimes a head. I think that this is insufficient and that we are doing too little for the Alliance.

We feel sure that something can be done, and that you have here cause for reflection and perhaps may be able to make decisions. It is more than a question, however, of providing sufficient money for the activities of the Alliance. We consider that there should be much more solidarity between the national organisations and the economic organisations which emerge in commerce and financial or industrial activities. Proposals have been made in good time to the Executive Sub-Committee, the problems have been examined, and the necessity for greater solidarity between the strong and the weak has been recognised. We think that we should in justice try to ensure the application of new measures to strengthen the financial status of the Alliance. There are several possibilities for taking this

action, and I think that I can say now for our own organisation that we accept proposals which will lead to greater solidarity between different kinds of organisation in the Alliance.

Mr. G. Cérreti, Lega Nazionale, Italy: I support the observations of Mr. Serwy. This question of the financial policy of the Alliance is not anywhere near being solved. There are different points of view and great divergences of opinion. Everybody, of course, wants the Alliance to be able to accomplish the important and necessary new duties which it has, such, for instance, as giving the Auxiliary Committees the necessary tools in order to carry out an agreed policy and exchange experiences and carry out experiments and research in the Movements in each country according to the methods which appear best in the light of the experience which has been gained. We have asked that the *Review* should be more complete and its contents improved. We want the Alliance to carry out economic investigations and to take part in international conferences in order to make its views heard. The Alliance seems to remain, however, an organisation with insufficient resources to carry out its work properly.

In Article 18 of the Rules we have provision for the calculation of membership subscriptions according to the number of members. There are some organisations which have many members but very small resources. We must try to set out this question in a concrete and simple way in order to find a solution. I think that we should ask the Executive to apply in full Article 18 and not avoid the issue of the real application of this article. The Executive should ask for the necessary powers to ask the member organisations in the meantime, until Article 18 is applied in full, to provide the necessary supplementary sums to subsidise if necessary the activities of our organisation. It do not think that it is a question, as one speaker said, of mixing up the membership subscriptions with the principles of the Alliance. We cannot do that, because the two things have nothing to do with each other. Finance, of course, is one of the tools which an organisation must have in its hands if it is to carry out its policy.

Mr. B. J. Patel, India: As suggested by previous speakers, it is always difficult to speak on matters of finance. It is very difficult to suggest where to get more and more finance. The Alliance has a splendid programme for the under-developed countries of the world, and that means more and more finance. If we do not get more finance, then our vision and programme will remain only on paper, so that it is most urgent to suggest and find ways and means of getting finance.

One source is subscriptions, but possibly we have more or less exhausted that source and there is no great possibility of raising more money by subscriptions. We have to find some other way. I think that there is a way of lessening our difficulties. Many organisations such as the I.L.O. and UNESCO have great development programmes so far as the Co-operative Movement is concerned, and there is also a great development programme with regard to other matters such as agriculture. So far the funds have gone through the Government of the country concerned, but this in the case of Co-operation is contrary to the fundamental principles of the Co-operative Movement. The authorities of the Alliance and this Congress should impress on the United Nations and its organisations that so far as Co-operative matters are concerned it is better to leave them to such agencies as the I.C.A. We should suggest to the United Nations and its various organisations

that these programmes should be carried out not through the Government of the country but through this organisation, which is a recognised one, and that this organisation should be used to take up the various relevant projects and that it is better to do this.

So far as other development projects are concerned there may be no change, but where the Co-operative Movement is concerned these things should be done not through the Governments but through Co-operative Agencies, and if they do not accept this they will be damaging the interests of the Co-operative Movement.

This morning I heard with great interest the discussion on membership, and there the fundamental point made by many speakers was that the Co-operative Movement must not be controlled by the Government, and that if a Movement is controlled by the Government it ceases to be Co-operative. If this proposition is acceptable to Congress, we should not allow the United Nations Organisations to seek to develop co-operative activity through the Governments, but should impress on them that it is in the interests of the Co-operative Movement that they should carry on these activities through agencies such as the I.C.A. If we can impress that on these organisations, our worries will be lessened. I have other proposals which I have not yet completely examined, but I suggest to the authorities of the Alliance that there are other agencies through which we can get better and more expanding sources of revenue.

The President: It is not for the Congress of the I.C.A. to dictate to the organisations of the United Nations this solution, which is a matter for the nations which finance the United Nations; but the idea is not a bad one, because collaboration with UNESCO and other U.N. organisations has been very fruitful. The idea is excellent, but we should not make this collaboration a question of receiving large funds. I think we must respect our co-operative rule that it is the Co-operators themselves who have to contribute.

Future Policy of the I.C.A.

The President: Mr. Menghi, the President of the Italian Confederation, wishes to speak on future policy.

Mr. V. Menghi, Confederazione Cooperativa Italiana: The projects in the chapter of the Report headed "Future Policy of the I.C.A." are not extensive if they are limited to the study of certain questions. It is stated that the Executive, meeting at Hamburg in April, 1955, decided that certain questions, which are listed, should be studied in further detail. The points which are listed are extremely important, and full inquiries should be carried out. In particular the third point, "The establishment of new economic communities and the unification of markets," appears to be closely connected with certain steps taken by six Governments interested in implementing the treaty for the European Common Market, and also with the action undertaken by the Scandinavian countries for developing to an even greater extent their commercial collaboration.

We feel that certain other activities should be taken into account, such as the setting up of an international market which would promote the economic well-being of all countries. By the programme for the new economic and social communities we should not try to reduce international exchanges; on the contrary,

we should consider these common markets as a first step towards economic contacts of an ever growing and increasing kind. It will be very difficult to begin with to set up regional markets; nevertheless this is a line along which work would be undertaken with a view to obtaining gradually progressive results. To begin with it would be easier to do something between certain countries which accept the fundamental principles of democracy and democratic development; it would be easier to come to an agreement among such countries than with countries where everything is controlled.

Such a consideration may be connected to a certain extent with the paper by M. Klimov, but I am not referring specifically to the economic policy of the Alliance but to its political approach to certain important developments. The Alliance has always worked for the stabilisation of international prices, the reduction of capital profits, the abolition of Customs barriers and the defeat of monopolies. In the changing situation, the development of such entities as the European Common Market should be extremely valuable, but we should like to emphasise the need for the Alliance as such to take up a very clear position on these problems. Nevertheless the Alliance must keep to its fundamental principles and not stray from them.

Publications:

Mr. H. Taylor, Great Britain : It is quite a customary experience at Congresses to applaud high-sounding phrases and basic principles, but I want to call the attention of this Congress to something which relates to every individual Co-operator. In the chapter of the Report on Publications, I do not think that anyone can read the second paragraph with any feeling of complacency with respect to the *Review of International Co-operation* and its circulation. I hope that every delegate present will take note of the fact that the total number of copies sold is 4,370 in the three languages. We were reminded this morning that we have 125,000,000 members in the I.C.A. Among them we have many languages, and one wonders for how long we can go on publishing the *Review* in three languages only. We heard something this morning, as we have on previous occasions, of the importance of the application of the principles of Co-operation to every country in the world. I do not know whether any delegate will go home feeling satisfied that with the three editions which are published we have only this very small circulation.

We cannot sell the *Review of International Co-operation* from Upper Grosvenor Street. This is a task which is imposed on every individual Co-operator. In Great Britain at any rate we should lay it to heart that here is something intensely practical which every one of us can do. In 1951, at the Copenhagen Congress, we learnt that the circulation of the English edition was 2,120; now it is 2,075. The circulation of the German edition was 1,630 in 1951, but to-day it is 1,450. We have heard pleas in Congress that the *Review* should contain important articles dealing with Co-operation applicable to the whole world. I suggest that in the editions which are published, "Upper Grosvenor Street" has achieved remarkable distinction.

Who will say, however, that the position of women in the Co-operative Movement is not something which it is necessary to emphasise in other parts of the world? How long have we to wait before we have the *Review* published in the Russian language? We have heard Mr. Cerreti talk about the Italian Movement,

but we still have no Italian edition, and we have no edition in Czech. I do not suggest that the Executive dare embark on this at the present stage; the first step is to make the existing editions successful not only from the point of view of circulation but from the point of view of finance. I shall not weary you with the figures which were given to the Executive at Rome, but I have them in front of me. It is deplorable that in each case we are making a financial loss, and yet at the same time we have the paradoxical position that every Movement, according to the Co-operative Press, is expanding in every country.

To me the regrettable fact is that the new subscribers to whom this Report refers have come from outside Europe, and in particular from S.E. Asia. I think that a tremendous amount of success has attended the efforts of those students who, over the years, have been at Stanford Hall, and we are sure that the influence has extended to other continents. I suggest to you that Co-operation commences with individual practical service. It is hard to achieve at times, but that is a duty which is imposed on us, and at a time when we know that the Press in various countries is meeting with extraordinary difficulties we should do our utmost to extend the role of Co-operation not merely by our work but by the attitude of our lives and by the service which we can render.

The President: Mr. Taylor has spoken for the last time from this platform. That is regrettable when we see with what enthusiasm and vigour he defends the ideals in which he believes. We should take note of what he says about the languages in which the *Review* is published, and the French delegation should note what has been said.

Mr. Y. A. Kistanov, U.S.S.R.: The activities of the Publications Section of the I.C.A., as reviewed in the Report of the Central Committee, show that that section is doing fairly useful work; nevertheless the valuable contribution made by the Press of our movement could be considerably greater. As is well known, the I.C.A. is an organisation uniting national Co-operative organisations of various tendencies, among which are co-operatives working in capitalist conditions, while co-operatives in countries with a very poorly developed economy are being represented in ever-increasing numbers. There are also the Co-operative Movements of the socialist countries. Each of these Co-operative Movements has its specific character, with certain laws of development and its own experience and traditions.

The Press of the I.C.A. could do a great deal to clarify the differences existing between the various Co-operative Movements and could contribute to greater mutual understanding, and also to the adoption of unanimous decisions by the Alliance. We feel that the Press of the I.C.A. could do this if it were objective in its approach. One of the main shortcomings of the activities of the I.C.A. Press is, we feel, that it is not always objective. There is something else to be said. A considerable proportion of the information contained in the publications of the I.C.A. is tendentious. It reflects far more the activities of the Western European countries, and more particularly the activities of the co-operative organisations of the capitalist countries, whereas the shortcomings of those countries and of the organisations in those countries are glossed over. Such a tendentious approach cannot contribute to mutual understanding, especially as the activities of the East European countries are not sufficiently well reflected.

Take an example. The German Co-operative Movement was visited by the British Co-operative Party, and the British Co-operative Party issued a report giving a review of the positive and negative aspects of the Co-operative Movement in the German People's Democratic Republic. In the Press of the I.C.A., only the shortcomings of the Co-operative Movement of the German Democratic Republic were reflected. We feel that this sort of thing should not be allowed to recur. The Soviet delegation feels that the I.C.A. Press should be an open Press and should publish statements from the Co-operative Movements of all countries. It should be fundamentally objective and fair. There is no doubt that this would raise its circulation.

We should like to associate ourselves with the point of view of a number of delegates with regard to the setting up of a permanent I.C.A. Committee for publications and Press matters.

The President: I should like to point out that the Press Conference is not competent to take decisions on behalf of the I.C.A. I would also say, as I did at the Press Conference, that we are asked as a one-way matter to publish articles about all countries, but it is not suggested that there should be free circulation of the I.C.A. Press throughout all countries. It would be a very interesting proposal if it meant the free circulation of all co-operative newspapers in, say, the Soviet Union, but unfortunately that proposal has not been made to us.

Mr. U. Itauma, Nigeria: My association with this vitally important matter is brief, but I have noticed that since the opening of this Congress over 15 people have spoken and education has never been absent from their speeches. I share the view which has been expressed by the last speaker but one about inadequate publicity for publications and their small circulation up to now. The Co-operative Movement believes in higher education for its members. This does not necessarily mean graduating in an academic institution, but a practical understanding of the working of co-operative organisations and of how to improve the standard of efficiency, for the future economic betterment of the present members and their successors.

In appreciating the work of the I.C.A. in regard to publications up to now, I should be interested to know something about the method or methods used in the past by the Alliance to make known the existence of its books and pamphlets to the affiliated organisations. If no special and regular means are in use, I suggest that in future there should be circulated quarterly a list of these publications to the affiliated organisations, because these publications would be of material benefit in strengthening co-operative activities in certain areas by the information which they provide.

There may be financial difficulties for the Alliance in carrying out its programme for the benefit of the less developed countries, but with wider publicity the circulation of the I.C.A. publications should be improved. I hope that the I.C.A. will give serious attention to this problem as a part of its educational work.

✓ **Mr. Riazuddin Ahmed, Pakistan:** The question of the publications issued by the I.C.A. is of great importance to the countries which are far removed from the European scene and do not know the full facts about the Co-operative Movement in other countries. It is also important because the character of the Movement

in some of the Eastern countries such as my own differs substantially from that of the Movement in some of the European countries. We have found difficulty in knowing the facts about the Movement in some countries because there is controversy about the actual state of affairs in those countries. We read a book about a certain country, and that book tells us that the Movement in that country is completely subordinated to Government control and is therefore not democratic, and we then take up another book and find that the contrary picture is presented, so that it is difficult for us, situated as we are thousands of miles away, to know what the facts are.

I suggest, therefore, that authentic publications should be issued by the I.C.A. dealing with the character and history of the Co-operative Movements in the various countries. The publications should take the form of simple and popular brochures giving not only facts and figures but the history of the development of the Movement in the country concerned. It is quite possible that in the beginning the Movement started in circumstances different from those which obtain now. It may have started in circumstances which were undemocratic but which have now become democratic, or it may have started in very democratic and free circumstances which in the course of the past few years have become undemocratic. If the history of the Movements in these countries is given, and the facts and figures supplied, people living in other countries will be able to judge the nature of the Movement and whether they can learn anything from its history.

The question will arise of how this should be done. I think that one of the best ways will be to ask each affiliated organisation, or the affiliated organisations in each country, to submit to the Publications Department of the I.C.A. a draft of the brochure which should be issued. That draft could then be checked if necessary by further study by a representative of the I.C.A., and after the material has been checked the book could be published as an authentic pamphlet of the I.C.A. It should be easy to solve the problem of finance, because I feel that in order to get authentic information about the Co-operative Movements in other countries we should be prepared to buy these books at a price fixed by the I.C.A.

The Director: I should like to make one or two comments on the remarks of Mr. Ahmed, because the proposal which he makes, although apparently simple and practical, is nevertheless beset with practical difficulties, mainly because of these differences on matters of principle which have been discussed here. The I.C.A. does in fact publish a good deal of information, statistical and factual, about the Co-operative Movements of different countries, but at the same time it should not be forgotten that the I.C.A. is an organisation dedicated to the propagation of the Rochdale principles of Co-operation and its policy is founded on those principles, so that in consequence its publications reflect those over-all policies which its authorities adopt.

For that reason the method which Mr. Ahmed suggests, of the preparation of drafts in the respective countries and then consultation, would, I am certain, in a number of cases lead to controversy without end. I think, therefore, that, although it is desirable to be objective, it is exceedingly difficult even in discussions in Congress, let alone in written studies which have a rather wider bearing.

At the same time I should like to say that we are constantly aware of the need of co-operative organisations in countries distant from I.C.A. headquarters for information, and we are endeavouring to supply this through the various channels

which are listed in the section on Publications of the Report. Through the *News Services*, the *Review* and so on we enable Co-operators to keep up to date not merely about what is happening in the Movement but also, through the supplements to the *News Service* and through the book notices in the *Review*, with what has been written about Co-operation.

As to finance, circulation is the key to this whole problem, because it very largely limits the resources we can devote to it. We have brought out in time for this Congress a second edition of Mr. Odhe's book on *Co-operation and World Economy*, of which a limited number of copies will be available to delegates here, and an unlimited number if they will fill in the appropriate order form. It will be interesting to see whether the results of the circulation of that brochure, to which we shall certainly give publicity, justify the optimistic view which Mr. Ahmed takes.

Mr. T. S. Krayushin, U.S.S.R. : I should like to say a word about the circulation of the Co-operative Press. The Soviet Union is prepared to circulate all Co-operative Press organs, but so long as that Press is not objective we cannot undertake this, because our Co-operators object. We feel, therefore, that the publications of the I.C.A. ought to be objective. When we have this objectivity, we shall be able to circulate them.

The President: There seemed to be a hope of expanding the circulation, but immediately it was restricted !

International Co-operative Day.

Mr. T. S. Krayushin, U.S.S.R. : At the meeting of the Central Committee yesterday the Director spoke of certain information obtained from national co-operative organisations with regard to the celebration of the 35th International Co-operative Day. In this connection, I should like to describe how we in our country celebrated the 35th International Co-operative Day. On the eve of the Day the President of Centrosoyus, Mr. Klimov, broadcast a statement, and *Pravda*, *Izvestia*, *Soviet Trade* and local newspapers published articles on the subject. On the Day itself, all the Republics of the Soviet Union and all the regions and provinces held large meetings dealing with the work of co-operative organisations, and conferences were organised. Co-operators took part in demonstrations, and speeches were made by specialists about the activities of the Co-operative Movement and the achievements and shortcomings of its different branches. All this was aimed at increasing the well-being of the peoples of the Soviet Union.

We can with great satisfaction tell you that on the 35th International Co-operative Day the Consumers' Co-operatives of the U.S.S.R. were able to report interesting achievements. The preceding period had been one of considerable work and development in all branches of the economic and social life of the country, and the measures taken contributed to increasing the wealth of the workers in both town and country. In the first six months of this year, as compared with the first six months of last year, the turnover of the Consumer Co-operatives increased by 21 per cent, and it is interesting to note that the rate of increase has been particularly marked in durable goods; nevertheless, we are still unable to satisfy entirely the demand for these goods.

Housing is being developed in our country. In 1956 in the rural areas some 400,000 houses were built, but in 1957 the number is being increased to about 700,000. This has involved the sale of large quantities of wood for building purposes. A considerable increase has taken place in wholesale sales as well as in retail sales. New warehouses have had to be built for co-operative goods.

The President: I would point out to Mr. Krayushin that he is not dealing with the item under discussion.

Mr. Krayushin: The Soviet Union has received a large number of foreign co-operative delegations, and Soviet co-operative delegations have visited other countries. At the General Assembly of the Co-operative Movement of the U.S.S.R. in Moscow, in which over 1,300 Co-operators participated, an appeal was made to all the Co-operators of the world, asking them to approach their Governments and insist on the banning of atomic weapons and experiments and to appeal to their Governments to make every effort to fight for peace.

International Co-operative Schools.

Mr. Ch.-H. Barbier, Switzerland: I think that it is worth while for the Congress to spend a few minutes on studying the question of our International Co-operative Schools. It is with particular satisfaction that we are able to note that the methods applied in our International Co-operative Schools have been modified. In the first place, simultaneous interpretation is used. It is a pity that we had to urge for so many years the adoption of this innovation, which is so necessary for work in an international school. Other methods have also been changed. Educationists have always had to solve four questions :

Who teaches, that is the first question, the educator himself?

Who are the taught? That involves the personality of the students.

What is taught? That is, of course, the subject-matter.

How is the teaching done? This involves the actual method of teaching.

Of these four questions, the fourth, how the teaching is done, is of considerable importance in these days. Investigations which have been carried out have shown that the question of method is a most important one for the persons taught, who remember what they have been taught only to the extent that they participate in the work. We have had to wait for this century to understand why there is backwardness in certain schools. When the students are taught by conventional methods they forget 85 per cent of what they have been taught one year after leaving school. We do not want this to happen in our Co-operative Schools; we do not want the students to forget so much merely because we have used the wrong methods. We must use methods involving the participation and contribution of those who are taught.

Investigations have shown that the taught remember what they have been taught only if they contribute to the work, and therefore co-operative methods are the most modern and effective. I have said that it is a good thing that there have been changes in our International Co-operative Schools. It is a pity that progress has been fairly slow. In visiting some of these schools and taking part in some of the conferences, it is very regrettable that we as educators continue to use obsolete

methods which prevent the introduction of new life and new forces, and therefore I feel that the question of the methods applied in our schools should be studied in great detail. Such an investigation can be carried out only when we have in the Alliance a permanent committee dealing with educational questions and when the head of our International Co-operative School is in a position to take part in the drawing up of the programme of the school.

On behalf of the Swiss delegation, I invite the I.C.A. to hold the International Co-operative School next year in Freidorf in Switzerland.

The President: We have already accepted an invitation for next year, but the other suggestions made by Mr. Barbier will, of course, be considered by the competent authorities.

The Second International Co-operative Seminar for Women.

Miss G. Tedesco, Lega Nazionale, Italy: I wish to express our satisfaction with the results of the Second International Co-operative Seminar for Women Co-operators. The results of this seminar gave us Italian women Co-operators new ideas for our work, thus contributing to show how much international debate and exchange of experiences can benefit concrete co-operative work. The conferences and discussions which took place showed that common problems face the women Co-operators of every country. At present we feel even more strongly than in the past that the place of women in co-operative work is fundamental for the development of Co-operation and to raise the status of women in all countries. We live in a changing world, as was brought out at the Conference of the International Co-operative Women's Guild and one of the features of the change is the changing position of women in all countries. In fact, technical progress and social progress are providing an opportunity to develop the personality of all human beings, including women. Co-operation provides a means of putting technical progress at the service of social progress, and the women's contribution can foster the success of co-operatives by emphasising co-operative links with people and families, while at the same time Co-operation trains women for social leadership, giving them a more responsible position in social life.

This seminar showed the importance of the participation of women in co-operative work. To raise the status of women means progress not only for the women themselves but for society as a whole, and that is why it is one of the tasks of the Co-operative Movement to promote the increasing activity of women in co-operative societies. At the same time, we know from our own experience that to train women for co-operative leadership cannot be done on a large scale without specific organisation for women in both the national and international fields, giving women themselves the possibility to develop their own educational work and to show their capacity to deal with co-operative problems from their own point of view. The interesting experiences of Swedish Co-operation, which we have had an opportunity to get to know more closely from this visit to Sweden, show us that both sides of the problem can be faced at the same time, having an independent Women's Guild but establishing fruitful collaboration with the general co-operative organisations.

We should like to express the hope, therefore, that the next international seminar for women Co-operators will be attended by women from more of the countries represented in the I.C.A., in order to widen the exchange of experience.

We think, in fact, that although there are different degrees in the development of Co-operation and different degrees in the status of women in the different countries, our national movements have before them the common problem of the emancipation of women in the modern organisation of productive work as well as in the home. At the same time, we hope that increasing importance will be given to the setting up of women's movements in all the countries which are represented in the I.C.A. to strengthen the I.C.W.G. and its links with the different countries. I appeal to the directing bodies of the Alliance to ensure the indispensable character of the I.C.A. and its prestige and to help in getting all the national movements to set up women's organisations in the interests both of women and of the development of Co-operation.

The General Secretary: Miss Tedesco has emphasised the value of the seminars for women co-operators and also the purpose of these seminars, so that there is little that need be added to her excellent speech. I would, however, emphasise the point which she made that women coming together in the I.C.A. seminars have much to learn from one another. Our experiences both at *La Brevière* and at *Innsbruck* have shown us that they do learn a tremendous amount from one another. I wish that many more co-operative women had been able to read the reports which were made to their organisations on their return from Innsbruck by the students who came from India, Eastern Nigeria, Ceylon, and Malaya. I am sure that you would all have been surprised to see how much those women gained by coming into contact with women representatives of European movements, how much they learnt and how well they have understood the problems of the European women's organisations, and how much the knowledge of the problems of European women Co-operators and how they have been solved have helped women in other countries to solve their own problems.

Perhaps some of you have read, in the special number of the *Review of International Co-operation* devoted to Women and Co-operation, our ideas regarding the future organisation of these seminars. I think that those ideas are largely in line with the views which Miss Tedesco has just expressed; but I should like to emphasise even more than she did that in planning future seminars the Alliance must have much more in mind the needs of the women in the younger co-operative countries, because there the co-operative women's movements have to be developed, and through the seminars of the I.C.A. they can be helped very much in this important work. In some cases women leaders in these countries have been chosen. We have met some of them, and Miss Tedesco has had one of them at least in Italy with her.

We all attach tremendous importance to future seminars; but of course, these seminars, like every other aspect of the work of the I.C.A., have a financial side. So far we have been very fortunate in having help from UNESCO, and, if the representative of UNESCO is still here, we should like to emphasise to him how tremendously grateful we are for the material help which UNESCO gave us. But, even if in the future we cannot always have help from UNESCO, the Executive and the Central Committees have agreed that seminars for women shall be a part of the educational activities of the I.C.A. I know how keen the women leaders in all the countries of Europe, such as Miss Tedesco, are to see this part of the educational work of the I.C.A. develop. We shall do our utmost, through the opportunities which the Alliance affords, to see that the advantages of these seminars are spread over as wide an area as possible. I have no doubt that future

seminars will give the same assurance as before to the President of the I.C.A. and the members of its Committee that the women are serious about their Co-operation. They have much to learn and, given the opportunity, they will make a valuable and indeed a tremendous contribution to the future of International Co-operation and peace.

The President: I should like to confirm that I formed an excellent impression of the two women's seminars which we have held so far. Admirable work was done there.

Technical Conferences.

✓ **Mr. C. D. Prasada Rao, India:** There can be no two opinions about the value of the technical conferences which are held by the I.C.A., and it is heartening to know that four conferences have been held in the last three years. The point which I want to make is that if such conferences are considered to be important for the European movements, which are far more advanced than the movements in other countries, I think that they would provide a great stimulus to the movements in other countries, if the I.C.A. would consider the feasibility of organising these conferences in the extra-European countries. I do not know how far that would be practicable, but I can assure you that it would be a great help in stimulating co-operative activity and encouraging the movements in these other countries, and I hope that such conferences can be held in these countries, the organisations there being consulted beforehand.

✓ The Promotion of Co-operation.

Mr. E. N. Burke, Jamaica: The Jamaican Co-operative Union, which is a member of the I.C.A., has asked me to present its views on the chapter of this Report dealing with the promotion of Co-operation. The Co-operative Movement in Jamaica stems from the benevolent action of two capitalist organisations in the United States as long ago as 1937, as I think the United States delegates here are aware. It is vitally interested in this aspect of the Alliance's work and is one of the beneficiaries of the Alliance's technical assistance programme. We remember with pride the visit of Mr. Watkins and the holding of the regional seminar in Jamaica and the great amount of good which that did for us. In particular, as is mentioned in the Report, when the Jamaica Union made an urgent appeal to the I.C.A. for help special assistance was given by sending Mr. Ted Healey, who visited Jamaica and spent nine months with us.

The Jamaica Union feels that every opportunity should be given to the Alliance to expand and intensify such programmes, and that efforts should be made to see that this work is fully recognised by the United Nations itself, and that wherever possible the U.N. Specialised Agencies concerned with Co-operation should give practical support to this aspect of the work of the I.C.A.

The Union suggests that the I.C.A. should examine the possibilities of a sponsorship scheme whereby strong national co-operative organisations would give help to weak national organisations in the less developed countries. On my way here I discussed this idea with many Co-operators, who were quite interested in offering help, and last night I met two co-operative delegates from Blackpool who were also interested. This might be something which the I.C.A. itself might take

up, and it might sponsor some scheme by which national co-operative organisations could give assistance to weak national organisations. The nature of the assistance would be determined after investigation by the I.C.A. The scheme would be organised within the framework of the I.C.A. technical assistance programme.

On the question of technical assistance from the U.N. Specialised Agencies, it is stated in the Report that "So far the Alliance has not had the experience of collaborating in any specific projects with either the F.A.O., I.L.O., or any other United Nations Agency."

I should like further opportunity to discuss this sponsorship scheme with delegates individually to find out to what extent we could, by direct arrangement, make visits from country to country in the interests of closer association and friendship. We in Jamaica are not suggesting that everything should be left to the I.C.A. We know that a great amount can be done amongst us delegates in promoting international friendship and strengthening one another.

The Mission to South East Asia.

✓ **Mr. B. Morikawa, Japan :** We are very glad to have the honour of addressing this Congress. In the first place we would call attention to the fact that the I.C.A., which has in membership many under-developed countries, has devoted special care to the Asian countries. The mission to Asia and the decision to hold a S.E. Asian Conference spring from this background. Now the I.C.A. is making an effort to raise a special fund for the under-developed countries, and we are deeply grateful for this decision.

Secondly, I would take this opportunity to emphasise the fact that in helping to develop Asian Co-operation the special character of the Asian countries must be taken into consideration. The Japanese Agricultural Co-operative Association could, we hope, give some assistance in the development of the movement in other Asian countries, and we believe firmly that it is our duty to co-operate with these countries.

Mr. P. Takov, Bulgaria : With regard to the Asian Conference which has been proposed by Dr. Kéler, for which we are most grateful to him, I should like to make the following remarks. The membership of the committee responsible for organising the Kuala Lumpur Conference is a very good one, and we welcome the presence on it of Mr. Watkins, Miss Polley, and the other members, but I do not see in the membership of that committee one of Mr. Brot's deputies, Mr. Klimov. I feel that we should not deprive the Asian Conference of the services of Mr. Klimov, because he is highly qualified in matters relating to the international co-operative movement. I should be glad if this question could be discussed and if Mr. Klimov could be included in the committee for this Conference.

The Report states that :

"Participation will be open to Co-operative Organisations, affiliated or not, in the following countries, which are regarded as being within the geographical area of the Conference—Pakistan, India, Nepal, Afghanistan, Ceylon, Burma, Malaya and Singapore, Cambodia, Indonesia, Thailand, Vietnam, Laos, Hong Kong, Sarawak, Japan, South Korea, Philippines, Papua and New Guinea."

This may be all right from the geographical point of view, but we know that in this part of the world we have the Chinese People's Republic, the Korean People's Republic, the Mongolian People's Republic and the Vietnam Republic, and that there are in those countries national co-operative organisations. I feel, therefore, that this important Asian Conference should also be open to the Co-operative Movements of these very important countries of the region.

Mr. Riazuddin Ahmed, Pakistan : The Co-operative Movement in Pakistan has asked me to thank the I.C.A. for the interest which it has taken in the development of Co-operation in the S.E. Asian countries. We greatly appreciate the step taken by the I.C.A. in deputing Dr. Kéler, of the Swedish Co-operative Movement, to visit the various countries in S.E. Asia and to submit proposals for the improvement of the Co-operative Movement in those countries. I also wish to pay a tribute of admiration to Dr. Kéler for the deep and detailed study made by him of the Co-operative Movement in these countries, and in my country in particular, and for giving in his report a good survey and estimate of the movement. But, while paying this tribute of admiration to Dr. Kéler, I wish to pause for a moment and say a few words on a point mentioned in his report. What I wish to say is not a contradiction or a criticism of what Dr. Kéler has observed, but it is by way of explanation of an impression which his report may give to those who read it.

In the report an implied impression is given that the Co-operative Movement in Pakistan was doing fairly well until 1947, but that after that it has been stagnating to some extent. The year 1947 is very important in the history of Pakistan, because in that year the country of Pakistan was born. Before that, Pakistan was part of the Indian sub-continent, but in August, 1947, the sub-continent was divided into two independent States. Starting from scratch, Pakistan found itself in great economic difficulties. Soon after the date of partition, the trading and business community in Pakistan migrated to the new country of India. The result was a complete deadlock in economic activity in Pakistan. Wheat and paddy and cotton were lying in the fields with nobody to lift the crops. There was a surplus of food in West Pakistan, but many people were starving for want of food. The trading and business community had departed.

In this hour of desperate need, the Government called on the Co-operative Movement to step into the breach and extend a helping hand. The Co-operative Movement stepped in, and the district Co-operative Banks began to do trading. They lifted the crops from the fields and arranged for marketing in areas of scarcity, giving a better distribution of food and other crops and securing for the cultivator some return for his produce.

This did not last long, and the private trader had to come in, but he had no money, because the commercial banks had closed and the moneylenders had gone away, and so the Co-operative Banks stepped in and began to finance individual traders. At that time the Co-operative law did not permit Co-operative Banks to finance individuals, but only co-operative societies. The law was amended so that they could finance individuals. With finance provided by these banks the new trading community grew up, and to-day things are much easier; but the effect was that the character of the Movement in Pakistan, which had originally been a purely agricultural credit movement, was drastically changed from an agricultural credit movement, giving small loans to cultivators, into a trading and industrial movement and a big financing movement.

This change of character gave the impression to some people that, since the agricultural credit side had been neglected, the Movement had begun to stagnate. In fact the Movement has faced a very big challenge in Pakistan, and I am glad to say that it has emerged with flying colours. The working capital of the co-operative societies in Pakistan in 1947 was less than Rs.250 million; to-day it is more than Rs.500 million. The Movement owns two big textile mills, and a large number of handicraft societies are functioning. Experiments have been made with considerable success in co-operative farming.

I have said all this only in order to dispel the impression which may have been gained by some people that the movement in Pakistan has stagnated. We are looking forward very much to help from the I.C.A. We admit our shortcomings, our difficulties and our failures. I hope that I shall have another opportunity of coming to the rostrum and saying something about the ways in which the Co-operative Movement in S.E. Asian countries can be helped by the I.C.A. This help could perhaps be in the form of providing educational facilities, establishing training centres, providing management experts and publicity material and so on. I hope to discuss these things later, when the papers on the subject are read.

Mr. M. Capek, Czechoslovakia : Allow me to say a few words on a question which has been discussed at recent meetings of the Executive and the Central Committee in connection with the Asian Conference. We feel that the name chosen for this Conference is not the best name for it. We come to this conclusion after reading the list of names of organisations which are to be admitted to take part in it. Such organisations as that of China have not been invited. The Czechoslovak movement appeals to Congress to support the suggestion that all Asian Co-operative Movements interested in this Conference should be allowed to attend.

Mr. S. Nakabayashi, Japan : The Japanese delegates are disappointed to find no mention of China in the list of countries to be invited to the Asian Conference, particularly as we are assured by representatives of the Japanese consumers' co-operative movement who have visited China that the Chinese movement is much the same as ours. We had honestly hoped that China and all the other Asian countries would be invited to this Asian Conference from the points of view of the progress of the Asian co-operative movements and world peace. We hope that the participation of China in the work of the I.C.A. may after further study of the actual situation be accepted. We should like the I.C.A. to provide a common forum for discussion for all our Co-operative movements.

Mr. I. L. Kovan, U.S.S.R. : The convening of an Asian Conference to plan the setting up of a regional office is a good and interesting decision and is bound to contribute to the development of co-operative activities and mutual understanding between the various organisations. Nevertheless we should draw the attention of Congress to the fact that the composition of the Conference as decided on by the Executive means, as has already been mentioned by previous speakers, that there is a very serious omission which should be made good. You probably know that the Executive decided to restrict participation in this important Conference to the representatives of co-operative organisations of only 21 countries. Amongst those invited to the Conference there are no representatives of the organisations of some of the Asian countries. This Conference is to take decisions on problems in connection with the development of the Co-operative Movement

in Asia, and therefore all the countries which have Co-operative Movements and which are in Asia and would like to take part in this Conference should be invited to it, regardless of their political structure.

The representatives of *Centrosoyus* have defended this point of view, pointing out that the absence of a number of the Asian countries from this Conference, and the absence in particular of the Chinese People's Republic, which plays an enormous role in the economy of the whole world, makes it impossible for the Conference to take decisions which will make a really valuable contribution to the development of the Co-operative Movement in Asia.

In the beginning an attempt was made to restrict participation in this Conference merely to members of the I.C.A. We feel that the Conference should be as representative as possible of the region. Some of the arguments advanced against this are in no way valid, as can be seen from the resolution submitted by the Japanese Co-operators at the Paris Congress. The Japanese Co-operators do not want the representation to be restricted in the way suggested. The Technical Assistance Sub-Committee recommended to the Executive the proposal to convene an Asian Conference. The Executive at Copenhagen unanimously agreed, but at the meeting of the Central Committee in September, 1956 certain members tried to restrict the membership of the Conference to the countries of S.E. Asia. This decision, however, was not as a whole accepted; the Central Committee in Moscow did not wish to restrict the membership merely to the S.E. Asian region. In Paris in December, 1956 the Executive decided to restrict the membership, although among the co-operative organisations invited to the Conference there are many countries which are very far from the S.E. Asian region.

In discussing the question of holding an Asian Conference, the representatives of *Centrosoyus* have proposed on a number of occasions that the agenda should be drawn up by the participating countries themselves. This was not accepted, yet you have heard the view of the Japanese Co-operators, whose point of view was expressed in a letter sent by them to the I.C.A. They pointed out that the Conference cannot give valuable results unless the Chinese and Korean People's Republics are invited. We consider that for the good development of the Co-operative Movement in Asia and for the benefit of the Co-operative Movement throughout the world it is essential for the movements of all the Asian countries to be invited to the Conference, regardless of structural or political differences.

Miss Kontik Kamariah binte Ahmad, Malaya : I rise to take this opportunity to express our happiness in knowing that the Executive have decided to hold the Asian Conference in our country. Ours is a very young country, but we can assure you, now that it is recommended that the S.E. Asian Conference be held in our country, that we shall extend all the facilities we have to make the Conference a success. I also take this opportunity of welcoming to Malaya all the I.C.A. officials, the clerical assistants and the Sub-Committee and all the other experts, and all the delegates of the various national organisations which are going to be represented at the Conference, and the others who will be coming. We assure you all of the heartiest welcome to Kuala Lumpur. (Applause.)

Mr. D. E. Hettiarchchi, Ceylon : This is the first time that my country has made its bow before this great Congress, and I consider it a privilege to represent my country on this occasion. Ever since the arrival of the Ceylon delegates in this

country and our participation in the Auxiliary Conferences, what has struck me most is the fact that while being thankful for being able to attend this great Congress in Europe we must assert the view of all the Eastern delegates that it is vital that the I.C.A. should initiate conferences and congresses of this nature for the Eastern nations, because I feel that most of the problems which we have in that part of the world are common only to that part of the world, and therefore conferences and discussions in those countries will be of greater use to my country and similar countries.

We have heard of the proposed delegation to S.E. Asia next year, and I voice the sentiments of my fellow-Co-operators in that part of the world when I say that we are very grateful to the I.C.A. for this and for the assistance which they propose to give us and for the interest which they are taking in co-operative activities in the East. The delegation will pass through Ceylon, as Dr. Kéler did, and we in Ceylon hope to receive and extend our hospitality to them and make closer contact with the Alliance and its officials, when the representatives of the Federation of Ceylon will be able to put our problems before you.

✓ **Mr. C. D. Prasada Rao, India :** The only point that I want to bring to your notice arises out of the statement in the Report that, "Invitations will also be sent to the Co-operative Federation of Australia, the United Nations Organisations having offices or officials working in the region, and the Colombo Plan Organisation." I suggest that you should add officials who are working on behalf of the Colombo Plan with the Co-operative Movements in any of these countries. I also suggest that, in order to make the Conference a thorough success, it may be necessary to invite those who are doing some co-operative work in the area, whether governmental or non-governmental.

Mr. J. Voorhis, U.S.A. : My understanding is that it is the major underlying purpose of the Co-operative Movement to enhance and protect the dignity of men and women all round the world. This can be done only if those people are free and if they are basically responsible for doing those things and building and controlling those institutions upon which their livelihood and their life depend.

There exist to-day in the world two parallel dangers to that freedom. In many nations the rise of powerful corporation monopolies tends so to dominate the economy that it is essential for the people in general to counteract that influence by the organisation of free and independent co-operative enterprises belonging to them. On the other side, there is an even more serious danger to human freedom and dignity in the imposition on men and women of totalitarian powers from an all-powerful State. The Co-operative Movement exists as a middle way between those two things, and if it loses being that middle way it loses its very soul.

The peoples of the under-developed countries—countries which in some instances are under-developed economically—have much to teach the rest of us, for they are not under-developed spiritually or culturally. Indeed, they have much to teach us, and one lesson is that man does not live by bread alone, and that the most powerful force in the world is not brute force but the man or woman who is not afraid of either life or death. These people and their institutions stand for freedom and political independence. The institutions have to be such that people can freely enter them and freely leave them, and that people can control them and not have them controlled on their behalf by some outside power. If a man wants

to help someone and does not simply give him some material thing or just to fix something for him, but shows his friend how to fashion a tool which he can use himself, this is indeed an act of friendship.

This, it seems to me, is the role of the I.C.A. with respect to the newly-developing countries of the world. It is to give them the institutions which will enable them to find a middle path between the danger of dependence on high aggregations of privately-controlled capital and an all-powerful State. I believe that we have to apply the definition of true Co-operation. I do not believe that attendance at the S.E. Asian Conference has been limited; I think it has been made all-inclusive of all organisations which could be eligible for membership in the I.C.A. This is not a Conference on Asian affairs but a Conference on the development of co-operative institutions, and of Co-operation which will be in the people's own hands in S.E. Asia, and that is very different. We from America will go round the world twice to meet the people of China, the Soviet Union or any other nation if it may be possible to reach agreement to preserve the peace of the world; but we are concerned here with institutions of a very special kind, the essential nature of which cannot be violated with impunity nor with faithfulness to the traditions laid down over a hundred years ago in Rochdale.

Mr. B. J. Patel, India : I should like to ask the Congress to bear one basic fact in mind when considering this issue. It is this : what is our International Co-operative Alliance ? It is not a representative organisation of all the countries of the world; it is merely an organisation of the Co-operative Movements of the world. In the Alliance only those can find a place who are in the Co-operative Movement. If you bear this principle in mind, there will be no difficulty in deciding the issue about the holding of an Asian Conference. This Alliance of ours has decided to help the Co-operators of the under-developed countries of the world, and more immediately the Co-operative Movements of the S.E. Asian countries. It is for the Alliance to find out which are the Movements which are struggling and which are the Movements which require its assistance.

If there is a genuine Co-operative Movement in any country in S.E. Asia which has not received an invitation to attend the Conference, we should be justified in bringing the fact to the attention of the Technical Assistance Sub-Committee which is in charge of the Conference, and, if we do so, I am confident that the Sub-Committee will consider the matter and, if it finds that a Movement has been wrongly omitted, it will surely invite such a Movement. I noticed two such omissions, and I brought it to the notice of the Sub-Committee that these two countries, which have genuine Co-operative Movements, had been omitted from the list. The Sub-Committee considered the matter and has extended invitations to those two countries.

I wish to bring it to the notice of the Congress that this is not going to be a representative Conference of Asian countries but only a Conference of genuine Co-operative Movements of the under-developed countries in S.E. Asia. It is for the I.C.A. to decide which are the genuine movements and which movements require assistance, and therefore which movements shall be invited to the Conference. The Alliance entrusted this task to the Technical Assistance Sub-Committee, and the Sub-Committee decided to invite the Co-operative Movements in various Asian countries.

With regard to the agenda and to the type of work which requires to be done, two things are mentioned. It is for the Alliance, which knows what types of

assistance it can render, to suggest the agenda for the Conference. If this were a representative Conference, it would not be appropriate for the Alliance or for the Sub-Committee to decide on the agenda, but here the Alliance wants to render assistance and therefore wants to know what types of assistance are required, so that I think it is fully justified in deciding on the agenda, because that will be practical and helpful in deciding on the assistance. Even on this ground, therefore, I do not think that any misgivings are justified. We should bear these facts in mind, and then there will be no difficulty in accepting the proposal made by the Central Committee.

Mr. G. Cerreti, Lega Nazionale, Italy: We have to be very clear about this Asian Conference, with no hypocrisy and no double meanings. We want to know perfectly clearly what is to be done and what we want. At the meeting of the Central Committee in Moscow a preliminary report was made on this Asian Conference, and after that, at the London meeting of the Central Committee, a corrected and restricted outline was submitted, and the Asian Conference of Co-operative Movements—not of countries—became a S.E. Asian Conference of a certain number of movements.

Not only that, but a certain amount of discrimination was carried out when one of the Vice-Presidents raised the question of being represented in the delegation of the I.C.A. to the Conference. He was rejected. We are going to embark on a programme of aid to the under-developed countries beginning with an injustice. We are going to help under-developed countries in which certain conditions obtain, and yet we want to prevent Co-operative Movements which were generated by liberation movements in their countries from exercising their rights. It is not fair, and I want to protest. No hypocrisy in the ideological sphere can be allowed to conceal such injustice, because these countries are calling on us to help them to strengthen their independence, and we cannot begin by being unfair, because that would be unworthy of the Alliance.

The President: We have come to the end of the list of speakers on this question, and therefore, without any hypocrisy, I should like to comment on certain points. It is not true that at the Moscow meeting we referred to an Asian Conference. At that time we had already determined the extent of Dr. Kéler's mission to the S.E. Asian region, and that mission had been determined from the very beginning. After that we stated, after the matter had been considered by the Technical Assistance Sub-Committee, which were the countries to be invited and what should be the membership of the Conference and of the delegation, both being based on the fundamental principle of true and free Co-operation. That is why the Technical Assistance Sub-Committee and the Executive Sub-Committee found it not desirable to invite China, which is not a member of the Alliance. The Central Committee approved the membership of the delegation because it felt that the members chosen represented the true idea of the Co-operative Movement. All these questions have been considered in detail by the Executive and by the Central Committee, and all we can do is to ensure that the remarks which have been made here are referred to the Technical Assistance Sub-Committee. The decisions have been taken by the organs of the Alliance which have studied this question.

Close of the Second Session.

THIRD SESSION.

Monday, 5th August, 1957.

Discussion on the Report of the Central Committee

(continued).

The President: We will resume the discussion on the Report of the Central Committee.

The I.C.A. and the United Nations.

Dr. M. Boson, Switzerland: I wish to make a few remarks on the chapter in the Report headed "The I.C.A. and the United Nations." At former Congresses this part of the Report has given rise to conflicting remarks, and certain delegations have criticised it fairly seriously, reflecting certain clearly defined political positions. That will probably occur again at this Congress, although international tension seems to have decreased to some extent. No one here wishes to restrict the right of criticism and freedom of expression of all participants; as Co-operators, we agree that this is one of the fundamental rights of man and one of the fundamental prerequisites of democracy and progress. If, however, criticism is to be useful and constructive, it must be justified and valid and should not be restricted to throwing back the ball to the other side. This, unfortunately, happened to a certain extent at Copenhagen and Paris. It may happen again here, but I feel that it would be wrong to restrict the discussion in this way.

The I.C.A. is one of the oldest non-governmental international organisations and, if I am not mistaken, it is the biggest of these organisations, because of its enormous membership. So far as I know, it is the only organisation which recruits its members from both parts of the present world. Yet the I.C.A. has to a certain extent remained a pre-war organisation. Its Rules have been adapted to present conditions to provide for close collaboration with the United Nations and with various organisations, governmental and non-governmental, which work to further the ideals for which we fight, but in modifying the Rules the Congress will only be taking half-measures so long as we have not the financial resources to ensure that its policies are implemented. The resources available to the I.C.A. at present cannot enable it to carry out the projects which it has outlined.

Perhaps we should not compare the budget of the Alliance with the budget of similar organisations, such as the Trades Union Federation. We should keep this in mind, however, when we deal with the consultative status which the I.C.A. has with the United Nations and with the various Specialised Agencies of the United Nations.

The representatives of the I.C.A. are probably just as qualified as the representatives of any other non-governmental organisation, but they can act only on precise instructions, because they cannot, as Mr. Watkins rightly said in Paris, express personal views just as the spirit moves them. They cannot improvise declarations. Furthermore, the international organisations do not allow this.

In the Economic and Social Council, for instance, the request to be heard on some point on the agenda must be submitted to the Non-Governmental Organisations Committee 48 hours before the beginning of the session. The representatives of the I.C.A. in New York and Geneva, therefore, cannot make their own decisions on what should be said at these meetings on behalf of the Alliance, and no one can delegate such extensive powers to them. According to the Rules, the Executive is responsible for the relations of the I.C.A. with the United Nations and other governmental and non-governmental organisations, and it is for the Executive to decide whether or not the Director is to represent the I.C.A. at the meetings of these organisations.

These provisions of the Rules are wise. They define the terms of reference and duties, and they place on a senior organ the responsibility of directing this activity of the I.C.A. But the Executive must have an adequate instrument in order to implement the policy of the I.C.A., and that instrument is the secretariat. The secretariat is run very competently by the Director and the General Secretary. The work carried out by the secretariat and the other subsidiary bodies of the Alliance is enormous, as we see from the Report before us, and nobody could demand more from a staff which devotes all its time and energy to carrying out its duties. If, therefore, we want the Alliance to develop its activities, particularly in the sphere of its relations with the United Nations, we must provide it with the means to do so, and this can be done only by strengthening the secretariat substantially, though without, perhaps, insisting on having a staff as large and resources as extensive as those of other international organisations better equipped than the I.C.A.

To be optimistic in my conclusion, I want to say that the Co-operative Movement and its methods is being understood more and more in other spheres, and the co-operative approach is being recognised more and more extensively as an efficient way of improving the well-being of the peoples. The Alliance must collaborate as far as possible with the subsidiary bodies of the United Nations to work for the achievement of our ideal.

Mr. V. Selvanayagam, Malaya : I note with pleasure that there is permanent representation of the I.C.A. at United Nations level both in Geneva and in New York to enable proper collaboration and co-ordination to be effected in the work of either side. I suggest, therefore, that in the interests of the less economically developed countries it would be only fitting that the United Nations should be made the means of providing any assistance which is to be given to these countries. There are many Governments, many countries, and many ideologies. There is a danger, if we seek assistance from any particular country or group of countries, that such assistance may be tied to military and political interests, or, if that is not the case, to concessions with regard to raw materials. This has been the experience in practice of those who have sought help, whether small or large. In my view, therefore, the I.C.A., which has amply manifested its interest in the lesser developed

countries in the various auxiliary sessions, and whose interest has received the blessing of this Congress, should collaborate with the United Nations, which has itself set out on an expanded programme of technical assistance to the economically less well developed countries.

There is one difficulty with regard to the utilisation of United Nations funds. There is an understanding on the part of the I.L.O., the F.A.O. and other organisations of the United Nations that the money should be used through the Governments of the countries concerned. I should like to give an example of how this may not always be favourable to Co-operators. Provision has been made for training by rural fellowships and study talks both for unofficial Co-operators and for those engaged in Government service. My country has the ill fortune of not having had one fellowship awarded to an unofficial Co-operator since the inception of the scheme. I appeal to you, therefore, and to all those responsible and ask that the I.C.A. should go into this and tell the United Nations to act through the channel of the I.C.A., and then there will be proper representation and proper distribution of the advantages which are made available.

I also note that the President and the Director have at various times opportunities of discussing co-operative affairs with the heads of departments of the United Nations and its Agencies. From the Report I can see that the Director, the General Secretary and the Technical Assistance Sub-Committee have been of immense moral help to us. Through them I ask that this matter be put strongly to the United Nations, that whatever it may do should be done in full consultation with the I.C.A., and that any disposition of its funds should be made through the I.C.A., which would in turn consult the Government.

UNESCO.

Dr. Maggiore, Confederazione Cooperativa Italiana: I wish to make a few remarks on the chapter of the Report dealing with UNESCO, section 2, the second paragraph, which concerns the UNESCO programme for what are called the "longer-term exchanges" of workers. This paragraph is, I think, one of the most peculiar in the Report. It is stated that the possibilities afforded by this programme "do not appear to have aroused among the affiliated organisations as much interest as they would merit." I should like to remark that perhaps this interest is not so greatly deserved.

First of all, it must be pointed out that the programme is concerned with a very small number of people. It concerns about 30 people a year in all Europe. An exchange of workers on this basis is more or less a privilege granted to a very small group. On the other hand, the programme provides only for the payment of the travelling expenses of workers. I think it is clear that if a worker is going to work for, say, a year in a foreign country, he is not greatly concerned about travelling expenses, but is generally more concerned about other issues.

There is another difficulty. Let us take an example. Take the case of a worker willing to go to Italy from Sweden, while an Italian worker is willing to go to Sweden from Italy. There is a very great difficulty involved in such an exchange owing to the difference in wages. It is well known that Italian wages are well below the standard of Swedish wages. The consequence is that a Swedish worker would never agree to exchange with an Italian worker, although I think that this

would be a most important experience for them. So far, exchanges have taken place between countries which are very similar so far as economic conditions are concerned.

There are two proposals which may be put forward in this connection. One is simply to cancel this programme and use the money more profitably on another item, if it is not possible to increase the allocation. On the other hand, if it is possible to make something of this scheme it will be necessary first of all to increase the number of grants, as 30 is too small a number to be called a programme, and to use the money not for travelling expenses but to compensate for the difference in wages between different nations with different standards.

In section 5 of this chapter of the Report I find the very surprising statement that the Director-General of UNESCO is proposing to reduce the appropriation for adult education. If that is so, it seems useless to go on talking about this.

Mr. Ch.-H. Barbier, Switzerland: The representative of UNESCO at our Congress has already told us how successful and fruitful are the relations between UNESCO and the I.C.A. They are fruitful from the point of view of the Alliance and from the point of view of UNESCO itself, and I think that the chapter in our Report which is devoted to this subject deserves particular attention. As Dr. Boson has said, it is a source of great satisfaction to us to know that international agencies such as the Specialised Agencies of the United Nations understand the Co-operative Movement and are willing to help to start Co-operation in the less developed countries, because they recognise that Co-operation, making use of self-help and mutual aid, is one of the best ways of raising the standard of living.

With regard to our relations with UNESCO, without wanting to overlook the difficulties with regard to administrative questions and questions of budget and personnel, we can say that on the whole our relations are excellent, and that in the different services of UNESCO we meet with the greatest understanding. I think that each of the five points which are brought to our attention in the Report deserves to be examined. I have not time to deal with them all, but I should like to refer to three, and in doing so reply to our Italian friend who has just spoken.

With regard to adult education, there is hardly any need to draw attention to its enormous importance in our time. To be "under developed" in education does not mean to be unable to read; it means to be unable to live. How many of us can say that we are able to live—that is, to lead our daily lives as we would wish man to do? An immense effort ought to be made for adult education, not only in the less developed countries but also in Europe. The organ of contact between UNESCO and the non-governmental organisations for this work is the Consultative Committee for Adult Education. This Committee ensures for UNESCO very valuable contact with all the non-governmental organisations, and UNESCO is thereby in direct contact, so to speak, with tens of millions of human beings. UNESCO is not running the risk of the former League of Nations, which perished as a result of lack of contact with the public, and the value of this contact is generally appreciated.

This Report has to deal with the difficulties which we have had in the Adult Education Committee with the Director-General of UNESCO. You know that thanks to the concerted action of co-operatives and other organisations represented

in this Committee in their national Commissions for UNESCO and with their Governments in other ways, the General Conference of UNESCO at New Delhi kept the same budget as before for this work and retained the Consultative Committee for Adult Education, contrary to the opinion of the Director-General. I should like to appeal to all our Movements to continue this effort in future. We have collaborated admirably in this field, and efforts have been made from all quarters. We must ask for the continued aid of the co-operative organisations on this question.

With regard to workers' travel, you are familiar with this question and know what our organisations have done up to now. I ask you to continue to benefit fully from these arrangements and every year to send a few applications, even though we may know that they cannot be granted in full. Through making these applications we shall help the services concerned in UNESCO and be able to keep UNESCO's budget for this purpose at its present level, and perhaps increase it.

As for the longer-term exchanges, contrary to what our Italian friend thinks, they are, in my opinion, very interesting. Of course, the number of persons involved can only be very small, but it can be supplemented by group exchanges. Some countries need to export labour and others to import it, and there could be a parallel programme for the exchange of large numbers of workers. In addition to that, I think that we should give the opportunity to workers in the Co-operative Movement, and particularly to young workers, to spend six months or a year in another country, where they would get to know the conditions of that country, which is of extraordinary value.

Those who have been able to come to Stockholm and to see the co-operative shops here will have found that there are seven Swiss saleswomen in Stockholm, and there are seven Swedish saleswomen in Zurich from the Stockholm Co-operative Society. For these saleswomen this experience is extremely valuable; it is a human experience and one of great benefit to their personal education. At Zurich we taught Swedish to those who were going for a year before they left, and in Stockholm they taught the girls German. We not only taught the languages but spoke about our respective Co-operative Movements. There can be no better way of making our personnel stable and content.

These exchanges are possible for us because we are a great international movement, and I think that by exchanges of this kind we shall work for international understanding and peace. We should not exaggerate the difficulties referred to by our Italian friend and caused by the difference in wages. There are to-day in Stockholm 50 or 100 young Swedish men and women who are ready to go to work in Italy at the wages that an Italian worker in a similar situation receives, in order to see how the people there live and to live with them and be among them. We should aim at that. Mr. Johansson emphasised, quite rightly, the need to open up the frontiers for exchanges of goods. To open them up for the passage of people is just as necessary for all those who work for peace. In that way we can work with our Swedish friends in the spirit of their exhibition "Without Frontiers."

The Director: With reference to the passage in the Report to which Dr. Maggiore referred, I should like to say that it was actually drafted for the Central Committee in February, and therefore in mid-winter, and at that time a number of

places in this scheme which had been allotted to the I.C.A. for 1956 had not been taken up, and the prospects for 1957 did not appear to be particularly good; so that, at that time, the remark in the Report was justified. I am happy to say, however, that since then, and mainly owing to the scheme for exchange between Sweden and Switzerland to which Mr. Barbier has referred, the situation has altered considerably. Happily UNESCO was willing to carry forward the 1956 places to 1957. The fact remains, however, that, though we are now far advanced in 1957, there are still places in the scheme available to Co-operators, and I think that it is of particular importance that they should be taken up, because the scheme is, as it were, rationed to us along with other non-governmental organisations—the trades unions, education associations, and so on. I hope, therefore, that as a result of the discussion in this Congress there will be more widespread interest in this scheme than has been shown up to now.

Dr. Maggiore should not minimise the importance of the payment of travelling expenses. A return fare across Europe may cost £50-£60, which is not a small item to a working saleswoman in a shop or to anyone dependent on wages. It is also true that we have to fight in UNESCO itself for larger allocations of money in its budget for work of this kind. The balance in UNESCO itself between education for those who already have a great deal and those who never in this world have more than a little is altogether wrong, and not only the I.C.A. but its national organisations must fight to create a proper balance in adult education between those who must necessarily work with their hands and those who are specially trained from their earliest days for work of other kinds.

Mr. W. J. Campbell, U.S.A. : We in the United States delegation are very happy about the relations which have been developed between the I.C.A. and the United Nations. We feel that this has been one of the most constructive of all the programmes which have been carried out, and we wish to congratulate the I.C.A. and its executive staff on the job which they have done.

Speaking specifically about the relations of the I.C.A. with the Specialised Agencies, we should like to say, apart from what the delegates of Italy and Switzerland have said about the UNESCO travel programme, that in that programme it is possible, with the encouragement of UNESCO, to undertake travel among the various countries with Co-operators taking the lead in purposeful travel, and we feel that this co-operative travel can eventually play an important part in increasing understanding and friendly relations and collaboration amongst our national co-operative organisations.

We should like to emphasise at this point the value of each national co-operative organisation working with the Government of its country through the non-governmental advisory committees which are set up. The Co-operative League of the U.S.A. has been a member of the National Commission for UNESCO since it began. That advisory committee is made up of the important non-governmental organisations in the United States, which serve as advisers to the U.S. delegates to UNESCO. That non-governmental participation is of great value and should be encouraged; it should be undertaken by all our national co-operative organisations.

We wish to say, in connection with the technical assistance programme, that the co-operatives in all countries should support the United Nations technical

assistance programme and its expansion. The fact that this is a voluntary programme, with the support for it coming from contributions from various countries, makes it very important that there should be substantial public support for these programmes in each country. The Co-operative League has taken the initiative and leadership in our country to see that there are adequate appropriations for the United States contribution to the United Nations programme.

With regard to the I.C.A. technical assistance programme and its relation to the United Nations programme, the I.C.A. itself is actually a 'United Nations' of co-operators and co-operatives, and we have our own programme by which we can supply material or specialised assistance to other countries. We feel that the I.C.A. should do that directly, and that it does not need to go through the United Nations on that kind of programme, so that there can be direct relations between the I.C.A. and the co-operatives in the newly developing countries. We wish to lay particular emphasis on that.

A final word about the relations of the I.C.A. and the United Nations. The work that the staff of the I.C.A. has done at United Nations Headquarters was fundamental in seeing that in the creation of the International Atomic Energy Agency there was provision for consultation between non-governmental organisations and the new Atomic Energy Agency. If atomic energy is to be used for peaceful purposes and effectively for the peace of the world, and not for destruction, it will depend on the ability of the non-governmental organisations serving as advisers to the United Nations to see that a maximum effort is made on the peaceful uses of atomic energy. The fact that the I.C.A. will eventually become a permanent consultant to the U.N. Atomic Energy Authority is a matter of great importance and something on which the executive staff of the I.C.A. is to be congratulated. We are heartily in favour of the programme which is being carried on, with the I.C.A. serving in this very effective capacity in its relations with the United Nations.

Mr. F. K. Aboagye, Ghana: As I sat here yesterday and listened to the representatives of older members of the Alliance, my mind travelled between two vital thoughts; on the one hand pure materialism, and on the other a happy mixture of the material and spiritual. Co-operation, as we understand it in Ghana, is a way of life, but to go on that way with any measure of success we must have the essential technical means, and we must have as our purpose to produce the material goods and to enrich the spiritual side. Unless the Alliance always keeps in view those two aims it will not succeed, and it is the fact that it does so that differentiates it from other organisations.

The story is told of two men who saw a dead dog. One said, "Look at this stinking thing!" and the other, "Look at its beautiful white teeth!" There is some sort of good or beauty in most things considered to be bad. It is those good things that technical aid to the so-called under-developed countries must set out to discover and build up in those countries. This can be done only by paying regard to the human material and that is why the Ghana co-operatives for which I speak are so grateful to the I.C.A. for the film unit which has been given to us. I can assure you that its use as an instrument of education for the people towards the values that matter in man, is assured. Ghana thanks you for this gift.

U.N. Technical Assistance.

Mr. A. A. Drejer, Denmark : Some of the activities of the United Nations may be the subject of some criticism, but I should like to draw attention to one very important side of its work which I think we are entitled to say is one of its best activities in the practical field. I refer to the work of the United Nations itself and of its different organisations for the promotion of Co-operation in general. I shall not weary you by referring to the subject which we discussed yesterday, and which we are to take up again to-morrow, of the special work for the lesser developed countries, in particular on the co-operative side, but I should like to mention our own experience in Denmark.

For the last five years we have had, as was mentioned yesterday, United Nations courses concerned solely with Co-operation, and the students at these courses have been our guests—our pupils, so to speak—for a period of some weeks in Denmark. We know what is involved in preparing and carrying on such courses, and this work has been carried on in very close collaboration with the United Nations and its organs. I feel obliged here, in view of its great importance and interest, to draw your attention to this side of the work of the United Nations. I hope that we shall continue this work and be able to find the most useful ways and means of promoting the progress of Co-operation all over the world.

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

Mr. K. Pröbsting, Austria : If Austrian experience is anything to go by, probably some of the delegates here have not only a co-operative function to fulfil but other functions in the State or the community which are perhaps of an honorary nature. The attacks made by private industry and commerce against Co-operation are very similar to those which are made on municipal and State activities. On the other hand, the tasks which co-operative and State and local government organisations have to perform are very similar; they have to serve the community in the best possible way. This common direction in the economic field, on both the national and the international level, tends to bring them closer and closer together, so that there is a common front against monopolies, which are for the advantage of individuals but to the disadvantage of the community. This is necessary so that we may have a common front against those who attack us, and so that the economy of the nation and personal freedom can be defended. Co-operation can bring freedom from need to all people and is a prerequisite for the political and personal freedom of all peoples.

I would recommend, therefore, that, on the model of Switzerland, France, Belgium, Austria and so on, we should try to find a forum, based on the ideals of Co-operation, where we can discuss the needs and programmes of Co-operation and of State and communal activities, so that we can advise each other and exchange opinions on our common aims. I should like to ask the I.C.A. to take up this idea and discuss it in the future.

I should like to make a brief remark on education. Observation of programmes and curricula shows us that young people obtain very little instruction, or none at all, on Co-operation and the Co-operative Movement, and in the schools they are prepared for their future careers without any knowledge of Co-operation. I

would therefore recommend the I.C.A. to find ways and means of giving international instruction through its officers to the youth of the different countries, so that they may be familiar with the Co-operative Movement and can take with them, when they go out into life, some knowledge of the Co-operative Movement.

Mr. O. Rydeng, Organisation for European Economic Co-operation : I should like to make a brief comment on the reference in this Report to the O.E.E.C. and the European Productivity Agency, and to take this opportunity to draw attention to this, and in particular the attention of those countries in Europe with which we have not yet had very much collaboration. In the case of Denmark, Sweden, Norway, Iceland, and Austria we have had very full collaboration with the co-operative societies, which have participated extensively in our different projects, but the Co-operative Movements in Germany, Holland, Belgium, France, Italy, and other countries have participated very little in these projects.

The projects which I have especially in mind are the missions to the U.S.A. for the leaders of co-operative societies, and especially of those co-operative societies which have started consultative services for their members. We have in addition special programmes for undertaking further training of consultants for retail and wholesale stores. We cannot, from our seat in Paris, get into direct collaboration with single co-operative societies in each country; we have to pass through Government agencies. I would therefore suggest that those who are interested should contact their national Productivity Centre and obtain more information about what is happening in this field.

The President: We thank Mr. Rydeng for that very useful information.

Co-operation in Czechoslovakia.

Mr. P. R. Elderfield, Great Britain : What is said in this Report about Czechoslovakia forms part of what is perhaps the most serious problem with which this Congress has been concerned. It was the underlying theme of much of the discussion yesterday, particularly in the afternoon.

The question of voluntary Co-operation and State control requires further consideration by the Executive, or by the time of our next Congress important sections of the British Co-operative Movement may be excluded from membership of the I.C.A. The Rochdale principles are good, and in 1848 were excellent, but automation, atomic energy and so on are creating a new industrial revolution. Private capital cannot finance such undertakings as atomic energy and the plant and machinery required for automation, so that State intervention is essential.

In Britain, as elsewhere, there are going to be political changes. Before the next I.C.A. Congress we shall have, and take, in Britain the opportunity of replacing the present Government by a Government of the Labour Party. The declared policy of the Labour Party is to municipalise all rented property, to control the building industry, to re-nationalise the steel and road haulage industries, to acquire shares in big industrial undertakings and to exercise strict control over industrial undertakings. Briefly, it is intended that we shall have a planned distribution of production for the benefit of the people.

The President: You are supposed to be dealing with Czechoslovakia.

As Mr. Elderfield continued to speak without confining himself to the subject under discussion, The President suspended the interpretation.

The President: It is possible that part of the Congress shares the views of the last speaker, but speakers cannot be permitted when they rise to speak on one subject, to speak on a different one. That can only lead to anarchy. I must therefore ask speakers to confine themselves to the subject on which they rise to speak.

Relations between the I.C.A. and the Argentine Federation of Consumers' Societies.

Mr. E. Lustig, Argentina : The Report gives on page 51 a description of the relations between the I.C.A. and the Argentine Federation of Consumers' Societies. The older Co-operators were very surprised to hear at the Paris Congress that people in the Argentine were following a fascist course; they were surprised too by the treatment of Argentine affairs in the I.C.A. and to find that there was some support there for the Argentine fascists, and that *Centrosoyus* supported them and invited them to its Central Congress. A well-known fascist accepted this invitation and thanked *Centrosoyus* for its support. Shortly afterwards he went to Madrid to establish relations with his friends the Falangists.

The President: Please do not speak on questions which are not relevant to this matter now.

Mr. Lustig: The entry of Peronists into our Federation had very bad effects. We have had great difficulty in raising the capital necessary for our reorganisation, and we have had difficulties on the moral side, due to the moral losses inflicted on our country by the Peronists. We have to repair this damage. One of the terrible consequences of the Peronist regime has been great inflation, which has raised prices more than 10 times since 1952.

Normal conditions in our movement have now been restored, and our consumers' co-operatives have been re-established, with 203 societies, in a spirit of democracy and peace which will permit further development. I can assure the Congress that Argentina is following the ideals of the Rochdale Pioneers and respects the ideals of the Alliance and is a true brother organisation in the democratic Co-operative Movement of the world. (Applause.)

Mr. D. S. Timofeev, U.S.S.R. : I find it necessary to speak in connection with a statement made by Mr. Lustig with regard to the fact that *Centrosoyus* invited to its Moscow Congress co-operative representatives of certain countries, ignoring their political opinions.

I have no strong opinions about the political views of Mr. Lustig, and in fact I do not know what they are; but, as he has made a statement which is directed against the Soviet Union, I am forced to come to certain conclusions about his political opinions. I want to say that Soviet Co-operators stand firmly by the view that we must represent the Co-operative Movements of all countries, and that their political views are an internal matter for the political parties of each country. We are certain that that is the view which should be adopted by the I.C.A., so

that the Co-operative Movements of all countries, independently of their political conditions and structure, may be represented in the Alliance and be able to struggle for the future triumph of the world Co-operative Movement.

Mr. J. Voorhis, U.S.A. : I hardly expected to hear, either from this platform or from any other, a statement to the effect that no distinction is to be made between totalitarian government on the one hand and public ownership or socialisation under conditions of political democracy on the other. I assume that that statement, made from this rostrum, met with very little agreement on the part of the delegates. I should have vastly preferred a reply to it to be made by a representative of another nation, an older nation to which my nation owes its birth, but the point made cannot be allowed to pass.

Certainly it is true that the I.C.A. should not have a political connotation. That is our point. We are afraid that it does have. I should like to refer to the excellent statement made by Mr. Patel, and supported by other delegates, that the I.C.A. must continue to be not an association of nations but an alliance of co-operative organisations. Co-operators must build their co-operative organisations within any structure that the people of a country in their wisdom choose to give it. There is all the difference in the world between the situation of a country in which power is concentrated in the Government and the situation of a country where a freely-elected Government can be changed by free elections and may enter on a programme of advancing credits, for example, to co-operative organisations.

In our own country, as you will hear later in this meeting, we have had such a programme. The Government of the United States has had programmes by which it has made repayable loans at low rates of interest to particular types of co-operatives which were in need of this help. There is no reason why this should not be done in many nations, and it is perfectly fantastic to suggest that, were this to happen in Britain or elsewhere, it would cause the organisation concerned to be in danger of losing membership of the I.C.A.

I do not think that it is necessary for me to say more to underline the fact that if there is any meeting where people are able to understand the difference between freedom in all its aspects on the one hand, and its opposite on the other, it is this. We have said many times that differences of opinion with regard to economic matters do not concern us so long as the institutions remain free, so that all points of view can be fully and freely expressed and so that Governments can be changed at the will of the people.

The President: Mr. Timofeev feels that Mr. Voorhis has misunderstood him, and wishes to speak again. In the circumstances, I am glad to allow him to do so.

Mr. D. S. Timofeev, U.S.S.R. : In my statement I dealt not with the question of relations between States but with the question of relations between Co-operators. There is absolutely no doubt that the State systems existing in the various countries can have amongst them Co-operators of varying political opinions. We do not consider that if a country has a certain political regime we should apply our condemnation of that regime to the Co-operative Movement of the country concerned.

I insist, therefore, that we must encourage and develop contact between the Co-operators of all countries, independently of the conditions in which they carry out their work. We feel that these contacts must be encouraged and developed in the future.

The President: The question is perfectly clear. We are getting back to a discussion which we have often held before. The Alliance has decided to consider that in countries where freedom of association does not exist there cannot be true Co-operation, and that standpoint was adopted by the Alliance in dealing with the Argentine. We did not break off our contacts, because we can afford to be patient and to wait for developments. Mr. Timofeev does not deny what Mr. Lustig said with regard to the attitude adopted by *Centrosoyus* towards the Peron movement, but claimed the right for all Co-operative Movements, even those of a totalitarian country, to be considered as co-operative. This is a discussion which has blown up on a number of occasions, and now once again the two opposing points of view have been expressed. I suggest that we pass to the next item.

Hungary and Egypt.

Mr. A. Korp, Austria : When we, in spite of it being such a splendid morning, come to this Congress, we are glad to see these multi-coloured flags which the Co-operators of Stockholm have put up to greet the representatives of the whole world; but at this moment we have the feeling that among these flags one is missing, and that reminds us that in Europe to-day a brave people is weeping over the loss of its freedom. When we express our admiration for the exhibition arranged by K.F., "Without Frontiers," we are glad to see that those who arranged this exhibition have known how to make the truth clear to the man and woman in the street and to show how much happier people could be if there were no economic barriers at frontiers. When we look at the symbol above us here it tells us that in this world there are endless possibilities of allowing people to live more happily. But in Europe to-day there is still a bloody frontier, not built up as a result of economic consideration but made of minds and bloodstained barbed wire.

I have been asked at this Congress to appeal to your spirit of friendship for the Hungarian people and to appeal to your consciences, and here at this Congress to declare that we greet and approve the clear and brave decisions of the Executive in December of last year on the tragedy of Hungary. We regret that not all the members of the Committee held the same opinion at that meeting, so that we could not have a unanimous judgment; we were prevented from having that. We look now on this Hungarian question as a touchstone of the sincerity of democratic feeling, and we ask all the democratic movements in the free world not to forget Hungary and its democratic people. (Prolonged applause.)

The President: Mr. Cerreti wishes to speak on the whole of this Report.

Mr. G. Cerreti, Lega Nazionale, Italy : I wish to make a short statement on the whole of this Report. My delegation will approve the Report of the Central Committee, in spite of the numerous reservations which we have to make on the policy which has been followed by the I.C.A. during the last three years. These reservations are fairly well known to you and I do not need to deal with them in detail, but I should like to underline one or two of the more important ones.

First of all, with regard to the key problem of the policy of admitting new members, we have found that this has been based on a policy of discrimination, and I refuse to believe that that is a just and sincere defence of our co-operatives. We believe that the I.C.A. should remain the universal and unique organisation for Co-operation.

We have a formal reservation to make about the attitude taken up with regard to the tragic events in Hungary and the imperialist aggression in Egypt. I was just as moved by what occurred as were Co-operators in other countries, but it is not a touchstone but a question of fighting for our ideals and for the rights of man. The attitude which we should take up is that, like all really democratic organisations, we should have the courage to know how to keep quiet and not to offend the sentiments of other Co-operators who may not be able to take up certain positions which may be humanitarian, but may be vitiated by various ideological policies which have nothing to do with the Alliance.

Finally, we have a reservation with regard to the S.E. Asia Conference, in regard to which there has been a new act of discrimination, so that we could not obtain the results which we wished to obtain.

Let me give the reasons for which we feel impelled to support this Report. We in the *Lega* have a very great respect for our President, Mr. Brot. We feel a deep friendship for him which goes outside any political or ideological divergencies of opinion. I appreciate, and we in the *Lega* appreciate, the foresight shown by our President as the head of this organisation and his fidelity to the spirit of Co-operation. I associate with this expression of respect the Director and the General Secretary, whose devoted work has allowed the Alliance to go forward and find new fields of activity.

We shall vote for the approval of this Report because we do not want to offend, by reservations, any of our friends who hold, in many cases, different views from mine. In many delegations there are differences of opinion, and there are some members of the delegation of the *Lega* who do not share my opinions. I feel that we have not the right to make reservations with regard to the Report of the Central Committee. A really unified policy requires sacrifices on both sides. We shall vote in favour of the Report with the full consciousness of having, in our modest way, helped to develop a clearer policy, which is based on Co-operation and on the experience of co-operatives, and on the tasks which we have to face for the future—a policy which in the future should be able to give us very fruitful results. We shall vote in favour of the Report because in general the direction which the Alliance is following seems to us right, and in our affiliation to the I.C.A. we shall always agree with these ideals.

Mr. A. Seracchioli, *Lega Nazionale*, Italy: I should like to thank the President for allowing me to speak, although what I have to say does not relate directly to the conclusions on which Mr. Cerreti has spoken. I must express my gratitude to Mr. Cerreti; I think that what he has said can serve as an example for the Congress and for the Co-operative Movements represented here. His statement represents what the *Lega* thinks about these questions, although there is a minority of Co-operators—to which I belong—which naturally does not always have the same ideas regarding international political events.

I should like to submit a proposal to the Congress. I think that what is lacking in our Movement is the exchange of contacts between Co-operators. I think that we should have more intimate contacts which will help us not only to meet but to understand each other. That is the difficulty. It is difficult for a Co-operator who belongs to a country which has a particular political system to understand a Co-operator who lives in a country with an opposing political system.

It seems that we are trying to hide this difference at present under phrases which are more or less devoid of meaning. The fact that we send all our co-operative organisations bulletins which are a sort of summary of co-operative life in the country concerned is not the best way to achieve our purpose, because this bulletin is often devoted more to political propoganda than to co-operative propoganda, or, if it is co-operative propoganda, judged from the headings in the bulletin, the intention of the editor of the bulletin is often not well reflected in the material which it contains.

If we had an international paper supervised by the I.C.A., a bulletin which would be capable of becoming the basis for a continual debate on ideas and co-operative achievements in different countries, I think that this would be a means of understanding between all Co-operators. It could be a forum for debate, and, if this debate could be brought to the awareness of all Co-operators, which is something we ought to try to do, it would contribute to spreading knowledge of the differences of opinion which exist in the world and would perhaps help to eliminate these differences. Even if we had a very lively debate, I am sure that freedom of expression would inspire us all to this free circulation of ideas and expressions of opinion, and Co-operation as a whole would benefit.

Mr. D. S. Timofeev, U.S.S.R.: The Soviet delegation assumes that the remarks which have been made in the course of the discussion in the present Congress will be taken into account by the new Central Committee in its subsequent work. The Soviet delegation does not propose to vote against the approval of the Report of the Central Committee to this Congress, but I should like to make a few remarks of a procedural nature.

As all the members of the Executive who were present at the meeting in London will remember, when the question of Hungary and Egypt was discussed the Minutes included an appeal by the Hungarian Co-operative Movement. But in the documentation sent to the members of the Congress only the resolutions adopted by the meeting of the Executive at Paris were included, and the documentation did not include, for some unknown reason, the statement by the Hungarian Co-operative Movement. We feel that for a truly objective exposition of the situation the Congress documentation should include the appeal of the Hungarian Co-operators, in which it was stated that the resolutions were probably adopted on the basis of insufficient information on the events in Hungary, and that taking this into account the Hungarian Movement had to reserve its view with regard to the attitude adopted by the Central Committee concerning the Hungarian situation. Further, the Hungarian organisation felt that the question of its admission to the Alliance should also be put on the agenda, and it did not wish its appeal to be considered from a political point of view and used as an argument against it. It also stated that it could not tolerate any intervention in the internal affairs of the Hungarian People's Republic. We feel that this declaration by the Hungarian Movement should be included in the documentation of this Congress.

The President: We have come to the end of our consideration of the Report, and we shall now vote on it. Certain reservations have been made, but I feel that if I start making comments on these matters we shall probably break up the unity of this meeting. I should like to thank the French delegation for not reacting to the statements made in connection with the country represented by it.

In connection with the remarks of the last speaker, if we had to take into account the views of a group of Co-operators in Hungary we should also have to take into account the statements made to us orally by thousands of refugees from Hungary on what happened there, so that we will not insist on that. We shall now take a vote by show of hands on the motion for the approval of the Report of the Central Committee.

I ask those in favour of the adoption of the Report to raise their hands. Those against? I see none.

I declare the Report adopted unanimously.

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OBITUARY

The President, *the delegates standing*, said: The time has come to pay homage to a number of our friends who have passed away. In opening this Congress I recalled the memory of Sir Harry Gill. I do not propose to say more now of what his loss means to us, with his deep experience and his lifelong struggle and all the energy that he devoted to the ideals of Co-operation. Not only was he selected by our British friends to head their wholesale organisation but he was elected a member of the Executive of the Alliance, and his nomination as President was confirmed three times. You will all remember this remarkably energetic man, who was so affable and human.

We have also lost one of our younger friends, Mr. Gustav Dahrendorf, Chairman of the Board of the German Co-operative Wholesale Society and the Central Union of Consumers' Societies of Germany, and one of the most influential members of the Executive of the Alliance, whose sudden death was such a shock to us.

We have lost also one of the Old Guard of the Co-operative Movement, who was for a long time a member of the Executive, Mr. Zmrhal, Chairman of the Czechoslovak Co-operative Movement, who in recent times had been ill and who was not reappointed to the Executive, but who was present at our last Congress in Paris.

We have heard of the death of Mr. Bernardo Delom, who, in the Argentine, fought for the freedom of the Co-operative Movement, who had been forced into exile from the Argentine, but who lived to see the liberation of the Movement in that country.

We have lost a man who contributed tremendously to the development of the Swedish Co-operative Movement, Mr. Anders Oerne, a member of the Central Committee, and at one time of the Executive, who died as the result of an accident.

France has lost a very eminent member in Mr. A. J. Cleuet, one of the oldest members of the Central Committee and one of the administrators of the wholesale organisation in France and for a long time its Chairman.

The American Co-operative Movement has lost an old Co-operator and a great idealist, who guided the American movement in its first steps, Dr. James Peter Warbasse.

Finally, we have received the sad news of the accidental death of one of our younger friends, Mr. Thor Pedersen, of the Danish movement, who was the Chairman of our Auxiliary Housing Committee.

To all these we shall wish to pay heartfelt homage for their tremendous contribution to the Co-operative Movement. For their lifelong devotion we shall always remember them.

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Tellers.

The General Secretary: Yesterday morning you elected the Tellers for the Congress. We have learned with regret that one of the Tellers, Mr. Utrin, of the U.S.S.R., is ill and cannot attend the Congress. In these circumstances will you agree that, if there is need for the Tellers to function, Mr. Utrin shall be replaced by Mr. S. N. Kulikov, who is also a member of the delegation of *Centrosoyuz*?

The Congress agreed.

Voting on the Report of the Central Committee.

The President: It has been pointed out to me that the voting on the Report of the Central Committee was not unanimous, because certain delegations abstained. I understand that the Czech and Rumanian delegations abstained. The Soviet delegation also abstained. If any other delegations abstained, I ask them to let the General Secretary know.

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Reports of Auxiliary Committees

International Co-operative Insurance Committee.

The President: We shall now take the Reports of the Auxiliary Committees, beginning with that of the Insurance Committee.

Mr. Henri Lemaire, Belgium, Secretary of the Committee : The Insurance Committee of the I.C.A. has now been in existence for 35 years and is, I think, the oldest of the Auxiliary Committees. It has developed far beyond the hopes of its founders. Our Committee now has represented on it 44 societies from 18 countries in five continents, which insure 50 million people. It is composed of insurance people who are at the same time Co-operators, so that its activities have a twofold aim : on the one hand to study the conditions making possible the work of the Committee within the framework of its activities, and on the other practical results to facilitate the work of the insurance societies. These questions have been discussed from the theoretical and practical points of view, although frequently it has not been possible to make clear the distinction between the two approaches. Among the problems discussed at our meeting last week were the insurance of atomic energy, public relations, and bonus in non-life assurance, and amongst the questions to be considered at the next Conference we can already mention life assurance as a function of index numbers and aid to other co-operative bodies.

As an American delegate at our meeting said, we know that an expert is, after all, a human being, but one who is far from home. Nevertheless, we feel that a professional man in the insurance world who believes in the ideals of Co-operation must have a completely different approach from his colleagues who do not work within a co-operative framework. He tries to serve the community and not to make a profit.

At present there are between our insurance societies 200 re-insurance treaties. In order to evaluate the practical results achieved, I should like to quote two concrete examples. You have been able to admire, among other co-operative achievements in this country, the Swedish co-operative factories. If one of these factories suffered from fire, the indemnity for reconstruction would be paid not only by the Swedish Co-operative Insurance Society but also by the co-operative insurance societies of Norway, Denmark, Finland, Iceland, Holland, Belgium, Germany, Austria, the United Kingdom, Israel, India, Canada and Australia. If an Australian co-operative store was burned down, the indemnity would be paid by the Belgium, Canadian, United Kingdom, Indian, Icelandic, Israeli and Swedish co-operative insurance societies. I have quoted these two examples, but there are a number of others, and they vary with the size of the societies involved. Two newly-founded co-operative insurance undertakings, one in Canada and one in Australia, have been able to satisfy all their re-insurance requirements by using our Association.

This very short report will show that the Insurance Committee has achieved interesting and valuable results, and we are very happy to be able to make our contribution to the ideals of the Co-operative Movement.

Mr. M. D. Lincoln, U.S.A. . As a representative of the United States delegation, I should like to make some remarks on this report. The story is told of a preacher in the United States whose usual procedure every Sunday was to announce his text and then in his sermon depart from it and never come back to it. I shall attempt to stick to my text.

Those of us who had the privilege of attending the meeting of the Insurance Committee last week were very pleased with the result of the discussions. We believe that very constructive development is under way, and we appreciate the fact that the I.C.A. has made it possible for representatives of the various co-operative and mutual insurance societies associated with the consumers' movement to come together. We are deeply indebted to the Swedish insurance society, *Folksam*, for the royal entertainment which they furnished.

We now have a definite plan of economic co-operation under way between the insurance societies of the different countries, and it is my humble opinion that from now on this section of our activities is destined to experience considerable growth. There are a few points which I want to emphasise in this connection which our formal report, because of its brevity, had no chance to bring out. We are all concerned with the development of the Co-operative Movement throughout the world. Insurance does not have certain commodity difficulties, as some of our other activities have. For example, Canada has a great deal of wheat at present, and so has the United States. It is difficult to get together to find out how to distribute that wheat to the people who need it, though some day we shall find a way to do it. We try to point out to our people that every single individual in the world is a customer for co-operative insurance societies - life, health, accident, motor or whatever it may be. We have reason to call on virtually every family in the world and ask them to consider co-operative or mutual insurance, and consequently we have many agents on the road constantly calling on all classes of society who can at the same time spread education - or propaganda, if you like to call it that - about the whole Co-operative Movement.

What is most important at this time is that insurance accumulates money, people's money, and in our democratic mutual insurance societies it puts a great deal of people's money under democratic control. Money is important in every society and country, because our private companies, or some of them, as a rule do not look with favour on co-operative enterprises, and there are many instances where a people's insurance society can make it possible for a commodity to be established and to expand its activities.

In our own case, our nation-wide company started as a farm group 30 years ago with a capital of 10,000 dollars of capital investment. At the present time we control, directly or indirectly, approximately 653 million dollars of people's money, but, what is more important, we have a family of between 3.5 and 4 million people. They do not all believe in Co-operation yet, but we have got them into the household and, if we can develop the proper kind of education, we may be able to impregnate them with co-operative philosophy. Our company, I believe, is doing as much as any other in the United States to make all sorts of loans, mortgage loans and investments in capital stock, to credit associations, commodity associations and the like.

I should also like to point out, with regard to the subject about which we are to talk to-morrow – the development of co-operatives in the under-developed countries – that it does not make much difference how insignificant the economy of a country is, there is usually some very simple form of insurance already in force. It may be only funeral insurance, but it can be expanded to life insurance, and, as commerce develops and there is need for other types, we should be ready with a programme to move in. We feel sure that that development is coming in many of the under-developed countries.

I have two suggestions. Every time I come to these meetings the question of finance comes up. I think it is a pity that a great institution such as the I.C.A. – I hope I am not departing from my text in saying this! – does not have a bigger budget. I feel that those of us who represent the membership have to do something about it. My feeling is that because the I.C.A. does make it possible for the different insurance societies to get together, this section of the I.C.A. ought to find some way of making a contribution to the over-all programme, because if it were not for the I.C.A. these institutions would not be brought together. We have done that sort of thing in our own company, and at home our own company contributes \$165,000 to one institution in one State. That is more than the budget of the whole Alliance.

Cannot the co-operatives of the world find a way to get enough money to expand the whole programme of the Alliance? Think of the money spent on cosmetics! I believe, as everyone does, in beautiful women, but the kind of democratic government which we have in the world is more important than the kind of powder or toenail varnish that some of our ladies use.

We recommend that at least this insurance section should meet more often than once in three years. We shall never develop a real programme unless we meet more often. We will send an aeroplane round if necessary to pick up the different insurance representatives to bring them to America so that we can have a meeting every now and then. We have to meet more often in order to develop our programme, but we appreciate very much the opportunity which the I.C.A. has made for us to meet on this occasion.

Banking Committee.

Mr. L. Cooke, Great Britain: I should like to take this opportunity to supplement the printed report of the Banking Committee, first of all by saying that here in Stockholm last week we held our Banking Conference at which were present, from 15 countries, 27 delegates representing 20 organisations. Of these organisations 13 had submitted figures of their banking activities which showed that their total assets exceeded the equivalent of £500 million and their turnover in 1956, £15,000 million. It was also reported that reciprocal transactions between these banks showed an increase in number and volume and amounted in 1956 to £24 million. Each bank has agreed to supply information as to the extent of its foreign transactions with private banks, so that the possibility of further increasing our reciprocal business can be pursued. This is an example of practical co-operation.

A number of papers were submitted to the Conference, notably one by Mr. Tronet of K.F., on the financial set-up of the Swedish Co-operative Movement, and one on the application of electronic computers to banking business by Mr. S. Tyldesley of the C.W.S. There was a very full discussion on each of these papers, and much useful information was exchanged.

At the kind invitation of *Folksam* we visited their offices the following day to inspect their electronic computer installation, and a demonstration of it was given.

In conclusion, I would report to Congress that this was the best-attended Conference since our inception, and I think the most interesting and successful.

Mr. Khan Muhammad Bashir Ahmad Khan, Pakistan : It has given me great pleasure to read in the report that it has been decided to establish an International Co-operative Bank. We have been stating for the establishment of such a bank for several years, but no practical steps were taken to establish it. I now read that this bank is to begin its operations as early as possible. The functions of the bank will be of great assistance to the Co-operative Movements of the under-developed countries.

I notice that the share capital of the bank has been fixed at a very low level. In due course I believe that the authorities of the bank will consider increasing its capital. In the constitution of the bank I plead for the representation of the under-developed countries, because if this bank is to function in a satisfactory manner the countries which will receive the greatest help from the bank should have a say in its management. For this reason I also appeal to the co-operative banks of the fully developed countries to take part in increasing the share capital. With these remarks I welcome the proposal to establish the International Co-operative Bank.

The President: These wishes will be taken into consideration by the Banking Committee and by the International Co-operative Bank, which is not in direct contact with the Alliance.

Committee of Representatives of Workers' Productive and Artisanal Co-operatives.

Mr. A. Antoni, France : Our Committee of Workers' Productive and Artisanal Co-operatives is a technical committee and has no other ambitions than that of pursuing its modest tasks in an effective way. It pursues them under the sign of friendship, which greatly helps in obtaining results. In the work which we have done since the last Congress we have had exchanges of technical experience. We held two meetings, one in Paris and one in Naples. We hold study sessions and have organised exchanges of technicians between Switzerland and Italy, Italy and France, and Czechoslovakia and France. We have been able to get together permanent documentation which gives a good picture of workers' productive co-operatives internationally. The visits of our Secretary to countries in which productive co-operatives do not belong to the Alliance has brought us into contact with them and should lead to favourable results.

We have made a study of co-operative law and of the legal provisions governing workers' productive co-operatives. Thanks to the friendly collaboration of our Swiss friends, and in particular to Mr. Barbier, we intend to organise next year a new meeting for the exchange of technical experience. At the meetings which took place before this Congress we offered the Housing Committee our collaboration in a concrete way, not so much with the idea of having joint meetings – although we do not exclude that possibility – but with a view to collaboration on a much more concrete and definite basis, a meeting of technicians and experts in workers' productive co-operatives and housing co-operatives to study the costs of building and different procedures in regard to building methods for the housing of the workers. This suggestion has been well received by our friends on the Housing Committee, and we hope that something practical will result from this in the future.

We are trying to make our contribution to the general tasks of Co-operation, and we do not want to forget one of the permanent objectives of the Co-operative Movement, which is to provide special assistance to the groups which are least able to look after themselves in economic and social life. At our last committee meeting, therefore, we took up the question of Co-operation amongst the disabled. The study was so well received that I think we can provide concrete plans for helping handicapped people to live a normal economic life. We can help disabled men and women who are at present excluded from ordinary economic life to take part in it. In that way we shall not be expressing a spirit of charity but helping them to take their place in society, and society should not reject them.

Those are a few of the contributions which we have to make, and that is the spirit in which our Committee is working. No one here will be surprised at the interest with which we pursue our efforts within the framework of the I.C.A. for the development of Co-operation in countries which up till now have not taken part in economic activities, and particularly the under-developed countries. We considered – and I am sure that everyone will agree with us – that in those countries co-operative development cannot be restricted only to agriculture or to distribution; it must also deal with the question of industrial production. In this respect, we think that Workers' Productive Co-operation, and even more, Artisanal Co-operation, should play an extremely important role in the transitional period which will take place during the industrialisation of these countries and during the course of their transition to modern methods of production. We shall benefit from the development of Co-operation in countries which are new to the co-operative idea, and the share in Co-operation which can be taken by productive co-operatives for workers and craftsmen should not be neglected. Everything should be done so that we are able to associate ourselves as fully as possible with the enormous tasks which await us all.

Mr. A. Droppa, Czechoslovakia : As is shown in this report, we are dealing with the solution of practical questions, and I think that that is a particularly useful activity in order to find a means of giving efficient aid to productive co-operatives. It is for that reason that the national organisations are keenly interesting themselves in these activities and take every opportunity to contribute something to this Committee. I think that the Congress would find it useful to know the results of the work of this Committee, and therefore I should like to say something about the favourable development of the work of this Committee since the last Congress.

Debates have taken place in our Committee, in the last few days in particular, with regard to co-operatives for the disabled, and we are finding positive solutions for our problems. Our national organisations should be interested in the exchange of experience in this field, and I think that they should be interested in all the international activities of our Committee. The different branches of workers' production and artisanal production can provide a useful contribution to the work of the Alliance, and, whether it is the Executive or the Central Committee or the Congress which deals with this, I think that it is advisable for us to point out that these problems are of great interest to the national organisations. These problems, therefore, might well be presented to the other Auxiliary Committees, who could make a report to the different organs of the Alliance which could be discussed fully, so that directives could be given. I suppose that the different organs of the Alliance will take into account the various discussions which have taken place, and will in this way help the development of Co-operation in order to solve common technical problems.

I should like to take this opportunity to say, on behalf of the Czechoslovak co-operatives, that we are very grateful to Mr. Antoni and the other members, who, by their great devotion to their work, have helped us to obtain such very fine results.

Mr. H. Taylor, Great Britain: Many of the organisations which function inside the I.C.A. may be in danger of being over-shadowed by the larger organisations. Having been privileged to serve on the Auxiliary Committee the report of which we are now considering, I want to pay a tribute to the secretariat and to all those who have been responsible for the arrangements in the past for the manner in which they have helped us throughout these years. In the Co-operative Movement we do not judge the contribution which an organisation may make merely by its size, and I would remind this Congress, and particularly our friends who are here from what are called the under-developed countries, that we commenced the productivity experiment in many of our organisations a number of years ago when our problems were extremely acute.

We have not yet reached the stage when we are completely co-operatively developed, and I am sure that it will be of interest to our friends from India and from Asia generally, and elsewhere, to be reminded at this Congress that even in these days there are times and occasions when in many of the so-called older countries we have extremely difficult problems with which to contend. We are proud to say in the Co-operative Movement that we are looking to the future, but I am equally convinced that we shall have a long way to go before we have completely solved our industrial relations either on the shop floor, which is extremely important, or even on the scaffolding in our housing developments.

We are constantly reminded by many countries, including Czechoslovakia and the U.S.S.R., that in these days we are faced with the problem of technical developments, which means that we have to solve our problems in the factories and in dealing with every individual worker. Many years ago we made a contribution by allowing the girl at the sewing machine or the man in the foundry to have a place

in the organisation and to realise that they were joint partners in the organisation which was producing the goods for consumer societies. In so doing, we were able to harmonise those relations in a co-operative spirit.

One cannot stand at this rostrum without thinking of those who have made a contribution in the past. I am thinking of Albert Thomas, the former Director of the I.L.O., and of Vansittart Neale and others. In each country there have been men and women who have made a very substantial contribution in connection with workers' and artisanal societies. We should make a profound mistake if we imagined that our work was completed. Happily, we have men who are striving to make a great contribution to it.

Even men like Kagawa in Japan and Albert Schweitzer in Africa recognise that while it is good to talk about universal principles which will embrace the whole of humanity, these principles have to be applied to each individual, and in so doing it is not the outward accomplishments which may mean so much as the spirit behind them – that spirit of equality, of fraternity, of real brotherhood for which we say in Britain that the Christian Gospel stands open to all. I want this morning to observe that in the visits which I have been privileged to make and in the heartening experiences which I have had when we visited the French productives and saw what they were achieving in Paris and Lyons, and in the visits which we have made to many factories in France and in Czechoslovakia, and in the amazing achievements which we have seen in a number of other countries, and particularly in Northern Italy, at Reggio, Emilia and elsewhere, I and the others have gained greatly. I hope that in the days to come we shall recognise in the I.C.A. that this Auxiliary Committee has a great work to perform.

In conclusion, I want to pay my tribute to the excellent work of Mr. Charial as the President of this Committee, and to our old friend Mr. Antoni. Let us not look with satisfaction on our past achievements, but rather realise and recognise that new opportunities demand a new approach and new solutions. The most important thing to realise is that each individual has to play his or her part, and it is an important part. We must enlist the full measure of co-operation of all concerned, not merely in the realm of achievement but in the spiritual approach to every problem which presents itself.

Agricultural Committee.

Mr. A. A. Drejer, Denmark : In my capacity as Chairman of the Agricultural Committee it is my privilege to introduce its report, and I should like to direct your attention to the written report which is before you. In introducing it, I desire to underline what has been said about the Auxiliary Committees in general. It is my impression, and I think it is the experience of all those who have been associated with the different Auxiliary Committees, that this more specialised work is playing an increasing part in the activities of the I.C.A. I can remember the Alliance in the 1920's, and it is my opinion that one of the most typical features of the Alliance to-day is the more specialised work which is being done within the Auxiliary Committees and the various groups. These practical tasks of the Alliance have increased in a way which I think is very fortunate from the point of view of future

development. It is stated in our Rules that the Alliance has many objects. We have not to deal only with one branch of Co-operation; we have to try to take part in all the different kinds of Co-operation. In introducing the report of the Agricultural Committee, I think it is true to say that one of the branches of Co-operation which has increased in recent years is agricultural Co-operation. We are entitled to say, when looking at the statistics of the I.C.A. drawn up by the secretariat, that the figures show that agricultural Co-operation within the Alliance is increasing. I would draw attention to the fact that, according to the statistics sent out just before the Congress, it would seem that the agricultural co-operative societies and organisations represent about 20 per cent, taking those strictly concerned with agriculture, while if we include the credit societies the figure will be more like 35 per cent of the whole membership within the Alliance.

My reason for emphasising these facts is that I have the feeling that we should be aware of the importance of these technical matters. I think we are entitled to say that the new development within the Alliance, which is represented by the increasing participation from the agricultural side, does in fact represent something which is rather new. It is to be hoped that this development will continue, and I should like to appeal to the organisations concerned to ensure that it does.

With regard to the activities of the Committee itself, I must not go into details, because we have a written report, and the events which have taken place since the Paris Congress are recorded in that report. I should like to draw attention, however, to one matter which is mentioned on page 150, the nomination of an agricultural specialist within the secretariat of the I.C.A. We have dealt with this question several times at our meetings and conferences, but we have now – I hope that I am entitled to say this – succeeded in getting the approval of the leading organs of the I.C.A. – the Executive and the Central Committee – to the nomination of a specialist within the secretariat of the Alliance. We look forward in the Agricultural Committee to this step, because we are of opinion that there is a great deal to be done in laying down the material basis for our work. It must be done, of course, by collaboration between the national organisations, but we look forward to benefiting greatly by the work of this agricultural specialist within the secretariat.

I would add to what is said in the report, that we held a conference in Stockholm on Monday last. It may be that I am not the right man to judge the value of that conference, but I have the impression that it was a good one. What was a new feature of such conferences was that our friends from Asia and other countries outside Europe took part in it. One item on the agenda was our connection as an agricultural committee with the future work of the Alliance for the lesser developed countries, and we had very valuable contributions from the representatives of these countries outside Europe.

The main item on our agenda was one which has been taken up by the Alliance itself, an investigation concerning consumer participation in the supplying of agricultural requisites and auxiliary materials to the agriculturalists. This is a very important, interesting and somewhat complicated question, to which attention must be devoted in the near future.

I shall conclude by saying that I think that my friends in the Executive and elsewhere know that I regard this Agricultural Committee as in a sense my own

child. We must be careful in what we do so as to allow this child to grow and develop in a healthy way. It depends on one thing, the interest of the organisations not only in becoming members of the Agricultural Committee but especially in taking part in its work and being present at its meetings, not only once every three or five years but at all the normal committee meetings, so that we can do permanent and continuing work. My last words, therefore, are an appeal to you to make the Agricultural Committee and the Agricultural Section within the Alliance as strong as possible.

Mr. B. J. Patel, India : I am grateful to Mr. Drejer for appreciating the contribution which we were able to make in the agricultural conference. As you know, Co-operation in the under-developed countries is mainly agricultural Co-operation - agricultural finance and agricultural marketing. We are greatly interested, therefore, in the work of the Agricultural Conference. In that conference we made certain suggestions, and I hope that the Agricultural Committee will take note of them and that in its future deliberations it will pay attention to these points. We suggested how the Agricultural Co-operative Movement in Europe and in the advanced countries elsewhere can help the Agricultural Co-operative Movements of the under-developed countries. Let me mention two points : study tours should be organised and young Co-operators and practical workers in the field should be invited to see how the agricultural co-operative societies in the advanced countries work. That, in my opinion, will be of great help to the under-developed countries.

Mr. A. Mayr, Confederazione Cooperativa Italiana : The Agricultural Committee recognise the need for broadening and increasing the membership of the Committee. I noted with satisfaction that the desire to increase the membership of the Committee has been taken into account, because agriculture plays a very important part in the health of the population, so that the promotion of agricultural Co-operation is extremely important. Agricultural co-operatives have a very important task before them, not only because agriculture as such must overcome certain financial difficulties but also because the technical developments of the last century have raised particularly difficult problems for agriculture. These problems are found not only in the technical possibilities of developing agricultural production but in the sphere of distribution and administrative development where they are even more acute - the development, for instance, of means for preserving perishable products.

It is not enough merely to satisfy the local market, because with the increase of production it is not always possible to dispose of products locally. There are, however, enormous areas of the world where there is not enough production, and the requirements of these areas can be met only through international Co-operation. It is essential, therefore, for agricultural co-operatives to have training in trade principles and the principles of exchange, so that their horizons are widened. Agriculturalists are apt to have a conservative approach to a number of problems, but they must realise the importance of trade and distribution over very large distances.

There are, of course, many difficulties which have to be overcome by the agricultural co-operatives, both technical difficulties and other types. Agriculture requires very high technical qualifications. I suggest, therefore, that the consumer co-operatives which perhaps have a slightly broader outlook should co-operate more closely with the agricultural co-operatives in improving the distribution, with a view in particular to broadening the horizon of the agricultural co-operatives. We need to ensure closer links between the agricultural production co-operatives and the consumers, and this is an important element in the development of agricultural Co-operation. We should be able in this way to spread our co-operative ideals, and thus lay a very good foundation for the further development and the promotion of the international activities of the I.C.A.

Close of Third Session.

FOURTH SESSION.

Monday Afternoon.

Reports of Auxiliary Committees

(continued).

The session opened with the President's reference to previous discussion on Hungary and Egypt.

The President: This morning I interrupted Mr. Timofeev because what he was saying had nothing to do with the question under discussion, and I added that if we reproduced the letter which he read we should also have to reproduce other letters received from Hungary, and therefore that letter could not be included in the documentation of the Congress.

Reports of the Auxiliary Committee were then resumed.

Agricultural Committee.

Dr. E. Hasselmann, Germany: I am not speaking as a representative of an agricultural co-operative organisation but as a representative of a consumers' co-operative organisation, but we in the consumers' co-operatives have a very great interest in the work of the Agricultural Co-operative Committee. The I.C.A. has the duty of representing all types of co-operative organisations, and the tendency to do so has become greatly intensified since the last war, and great success has been obtained. Especially in overseas areas there are many new agricultural co-operatives which have joined the Alliance. In spite of this great success, however, we cannot relax our efforts to unite the agricultural co-operatives of the world. We have the old co-operatives of Europe, with the Swedish and Norwegian organisations in the Alliance, but there are some of these agricultural co-operatives which are not in the Alliance. The Belgian and German agricultural co-operatives ask why this is the case, but perhaps there are many different and very complicated reasons for this. One day we shall have to examine this question very thoroughly.

I think that there is one way in which we can get these agricultural co-operatives to join us and ask them to become members of the I.C.A., but, if we cannot get them as members, we must at least be able to co-operate with them in other ways. The possibility which I see is this. Recently we had a meeting with the German agricultural co-operative organisation and we tried to form close contacts with that organisation, although the organisation was not fully convinced that the Alliance could properly represent its interests; it wanted a special secretariat for agriculture, for instance. I think that our Committee has a very good chance of achieving its aim if we have a special man employed to ensure contact. Reference is made in the report to establishing contact with the International Federation of

Agricultural Producers and other agricultural organisations. I suggest that it would be a good thing if we could also link our Agricultural Committee with the European Confederation of Agriculture, to bring the two bodies closely together. In that way we might have representatives of the E.C.A. to take part in our proceedings as observers or advisers or in some similar capacity, and then we can convince them that we are trying to solve the same kind of problems as they are and we could get them to interest themselves in our agricultural societies. In particular, this might be the first step to take with a view to getting these organisations into the Alliance at a later date.

I imagine that such collaboration would be of great value for our work in the under-developed countries. It would open up new vistas for us. I think that this would be very useful in cases where there are no possibilities of agricultural credit, and I think that our older agricultural co-operatives could benefit greatly from contact with the newer and younger organisations.

Professor Casalini, Lega Nazionale, Italy : The Chairman of the Agricultural Committee has referred to factors which have had an unfavourable effect on its work, such as the absence of participation by certain agricultural co-operatives. When in 1948 at Prague I had the honour to propose that an auxiliary committee for agricultural co-operation should be created, I did not think that it would be necessary to wait nine years in order to have this realised. We need the help of a technical agricultural expert for this Committee. To work for agricultural co-operation it is necessary to have someone who loves agriculture, and especially someone who knows the complexity of this problem, which is technical, social and economic at the same time.

In Italy we have constituted a technical centre for agricultural Co-operation composed of agricultural technicians for all our agricultural colleges. We have to consider agricultural Co-operation as something of equal importance to Co-operation in the industrial sector. Agricultural Co-operation represents the concentration of agricultural knowledge, with this difference, that industrial concentration eliminates the individual, but agricultural Co-operation tries to create a different spirit amongst the farmers, who have a tendency towards isolation and egotism.

With regard to the affiliation of agricultural co-operatives, I said at the meeting of the Agricultural Committee presided over by our good friend Mr. Drejer that we must have a clear and concrete programme showing what we intend to do. Farmers are difficult people, but they like concrete things. We must draw up a programme of work which will be one which brings together the organisational work on the national plane and connects it with international work. We should have an international programme. When the farmers understand how good our programme is, I am convinced that we shall become a living branch of the International Co-operative Alliance, because, as I said at the Agricultural Conference, agricultural Co-operation is more important than all other forms of Co-operation in the world.

Dr. L. Strobl, Austria : In the Report of the Central Committee on the work of the I.C.A. we see in the section dealing with the International Federation of Agricultural Producers an indication that anti-co-operative agitation is being

organised on an international level and has greatly increased in intensity. It is stated in the Report that "The precise means by which this agitation is to be jointly counteracted have not yet been determined." Nevertheless, it is for us to find out what members of governments and of parliaments are connected with this. From the 12th to 17th August in Helsinki, there will be the General Assembly of the European Confederation of Agriculture, and one of the subjects to be treated will be the competition between private and co-operative work in industry and in agriculture. In this agricultural organisation, these anti-co-operative forces will be at work.

I should like to refer to the Report on this subject and make a suggestion for the establishment of co-operation between the different sub-committees of these agricultural organisations and our own Agricultural Committee. It is understandable and suitable that in international agricultural organisations there should be a committee for dealing with agricultural Co-operation. In all countries which have an agricultural structure there is a more or less similar experience, that without Co-operation there can be no rise in productivity and no rise in the living standards of the agricultural workers. The proposal which I should like to put before you, as a representative of the E.C.A., is that the I.C.A. should make efforts to encourage the international agricultural organisations to get into contact with the Agricultural Committee of the Alliance and co-ordinate their efforts, especially with a view to the action that we have to take to counteract anti-co-operative agitation. In many countries we have had the experience that the main attacks against co-operative agricultural organisations call for such action to be undertaken on our part, and I think that the I.C.A. can deal with this matter much better than the individual national organisations. I shall be glad if consideration can be given to this suggestion.

Banking Committee.

The President: Our friend from Pakistan raised the question of the International Co-operative Bank. To clear up this question I should like to call on Mr. Groes to speak.

Mr. E. Groes, Denmark : I have asked to speak briefly because our friend from Pakistan mentioned the International Co-operative Bank. The bank is an institution apart from the I.C.A. and has not submitted any report to the Central Committee. It may be of interest, therefore, if I say a few words about this newborn co-operative child.

The International Co-operative Bank was founded last year, thanks especially to the energetic work and the generosity of the Swedish Bank and the American Co-operative League. The bank is situated in Basle in Switzerland. The President is Dr. A. Johansson. The vice-president is Mr. H. Culbreth from the U.S.A., and Dr. Kung, from Switzerland, is exercising the functions of managing director for the first period of the bank's existence. The purpose of the bank, quite naturally, is to render financial support to national co-operative movements both in Europe and in other parts of the world. I for one am of opinion that we can all rejoice in the fact that this bank has been founded. Co-operators in several countries have for years, it must be admitted, talked about the establishment of such a bank, and at last an international co-operative finance institution has been started.

However, not only modesty but also a natural sense of proportion should, I think, impel those of us who are on the Board of the bank to state that the funds at our disposal to-day are very limited indeed, and it would be a mistake to create expectations having regard to the modest financial basis which is for the time being at our disposal. I can to-day only emphasise that we are just at the beginning of our work. We have certain hopes of a substantial increase in our capital, but we are all aware that hopes do not count for much in the financial world. We must be patient and at the next Congress we may have an opportunity to tell you of more positive results.

Housing Committee.

The President: Mr. Ashworth will present the Report of the Housing Committee. He is Manager of the Co-operative Permanent Building Society of London and has replaced Mr. Thor Pedersen, who has passed away, as chairman of the Housing Committee.

Mr. H. Ashworth, Great Britain: I should like to say how much my colleagues and I on the Housing Committee have felt the loss of our late chairman, Mr. Thor Pedersen. Those here who knew him will share our sorrow at the untimely death of so valued a member of the Co-operative Movement. He was our chairman from the inception of the Housing Committee, and enjoyed its fullest confidence. We shall miss his leadership and his expert contribution, and we shall miss not least his friendship.

Next, I should like to say on behalf of the Committee how great a pleasure it has been to meet I.L.S.B. in Stockholm which has looked after our housing conference, given us hospitality and shown us its latest achievements in housing. Sweder has proved a very fertile soil for co-operative housing, and we are very proud of Sweden's achievements in this respect over the years, and of the way in which Sweden has led the co-operative housing movement.

The Report of the Housing Committee, which is in your hands, covers three years of useful work. This still quite young Committee has, I think, earned for itself a recognised place as a useful auxiliary and as a body for the collection and distribution of information regarding co-operative housing developments and housing techniques. It affords a valuable opportunity for the exchange of views and ideas.

The report tells of our efforts in the fields of housing finance, building materials and liaison with international and regional bodies. There has been great activity in house building in recent years and there is a great deal which now stands to the credit of co-operative housing, but there is still much to do. In Europe, for many years, there will be need for a large house building programme to meet the increased population and the replacement of old houses, and in particular to cope with the delayed replacement of the 1939-1950 period. Conditions have not always been in favour of housing. We have, for example, a movement towards higher interest rates, which works against housing; and, whilst inflation in the long run may increase the value of properties, it is a deterrent because of the high building costs with which housing bodies are immediately faced.

Last week we held a housing conference here in Stockholm and considered the economic trend of to-day and the role of the Committee in the light of those trends. We considered this problem under three headings: technical improvement, adequate finance, and care of the social and human aspects of housing. It is along these three avenues that we shall direct the future work of the Committee and I can assure you that there is a great deal for the Committee to do.

We welcome the proposed collaboration of the Workers' Productive Committee which Mr. Antoni mentioned this morning.

There is one other point to which I should like to refer. Whilst the primary purpose of the Committee must be to serve the needs of the participating members, nevertheless I think that the Housing Committee has an increasingly important part to play in furnishing assistance to the lesser-developed countries. Their housing needs are great and they will foster opportunities for co-operative housing. For that reason the Housing Committee is glad to learn that a housing representative is to be included in the delegation to the S.E. Asian Conference in January next year. In this and in other ways I assure you that the Housing Committee will endeavour to play its part in this new sphere of development. I would conclude by expressing the thanks of the Committee to Miss Polley for her services as secretary during the period under review.

Mr. B. Melvin, Canada: It has been my pleasure and to some degree my task to attend almost all the auxiliary meetings in Stockholm during the past 10 days. This has kept me on the go, but it has been a very fruitful experience. I noticed in attending all these meetings – I do not think I missed any – that those which appeared to be the most productive were those which came to grips with problems which were clearly defined. This was not really strange. Amongst the Committees, in those on Housing and Insurance I found people who were grappling with problems which were clearly understood by all who were concerned. In some of the other committees, which had of necessity to deal with matters less clearly defined and a little more vague, it was more difficult to come to absolute and concrete conclusions and results. It seemed to me that in the Committees on Housing, Insurance and Agriculture – the first two in particular – we found a very close feeling of association and I may say of camaraderie, because of the fact that they were dealing with matters that were so clearly understood by all concerned. It seems to me that this feeling of friendship, and also the feeling of accomplishment which came out of the work of those committees, is extremely important to the work and welfare of the International Co-operative Alliance.

It is part of our experience in Canada, and I know that it is part of the experience in other countries, that where we come to grips with problems which we understand we can make progress and get to know one another better.

I should like to feel that these auxiliary committees are the feet on which the Alliance will make its greatest progress. Working on these various problems, and coming to know each other better, they will enable the Alliance to go forward as a result of this work. The sessions which have been held here, extremely important as they are, cannot come to very great fruition unless in the background this extremely important work is going forward.

International Co-operative Petroleum Association.

Mr. Howard A. Cowden, U.S.A., Secretary-Treasurer of the I.C.P.A. : This is the 10th anniversary year of the International Co-operative Petroleum Association. Just 10 years ago, a small group of rather determined men met in the C.W.S. building in London and started the I.C.P.A. I am sure that there are many here to-day who will recall the dinner given that evening by the I.C.A., over which the then President of the Alliance, Lord Rusholme, presided in his usual brilliant manner.

In the past 10 years the I.C.P.A. has made some progress. We have had great difficulties, particularly in the years immediately after the war, but we have made some progress, and I think some very substantial progress. None of us who attended that first meeting is satisfied with what has been accomplished in the past 10 years, but we feel that we have laid a good foundation and that on this foundation we can build the kind of organisation which we envisaged 10 years ago.

In the document before you some of the statistics of the I.C.P.A. are given, but let me mention three or four. The I.C.P.A. now has members in 18 nations. The volume of business has been increasing, though not rapidly. Over the years we have done a total business of \$17,000,000 and our savings amount to \$717,000. Our assets are \$1,700,000. We have paid a patronage refund each year, and at the annual meeting last week declared a modest one. Our financial statement looks very good, and the current ratio is 9/1. These are modest figures compared with the figures of some of the great organisations which are members of the I.C.P.A., but the real value of the I.C.P.A. cannot be measured simply by the figures in the balance sheet.

One of the original purposes of the I.C.P.A., which is still one of its purposes, was to help co-operative organisations all over the world to develop petroleum distribution, refining and production facilities. In this respect the I.C.P.A. has been very successful, and I should like to point out what has happened in a few countries. The I.C.P.A. cannot take credit for all this development, but it has contributed to developments in a number of countries in a very material way.

Take Holland, for example. Five years ago a very modest start was made in Holland, with no facilities except perhaps a warehouse. To-day there are facilities all over Holland, so that, I am told, all the consumers in Holland can be served; the facilities are available, including storage facilities and delivery trucks, and there are plans for expansion. In Israel we cannot take credit for all the development, but the co-operatives supply 40 per cent of the nation's requirements of petroleum products. Sometimes it has been felt that only co-operatives in Canada and the United States can own oil wells and produce crude oil, but the co-operatives in Israel own six oil wells and are producing 3,000 barrels of crude oil a day. In doing this they render a real service to the whole nation; they are making it unnecessary to send that much of their money to some other country to buy oil products.

There is another significant thing about this development in Israel: it is owned by the people of Israel. No foreign company has drilled the wells and taken the ownership of them; the people in Israel own the wells.

In Egypt there has been a very similar development. Starting in a modest way a few years ago, the co-operatives of Egypt now do more than 40 per cent of

the total business of the nation, and they have facilities which are equal to those of any of the major oil companies. On the Sinai peninsula, in a desert where nothing has been produced before, and almost at the exact place where Moses took the Israelites across the Red Sea, the Egyptian co-operatives drilled 10 oil wells which produce more than 10,000 barrels of crude oil. It is the only Arab country in which the people of the country own the crude oil production and the facilities for producing it. The people of Egypt own the facilities and the oil, and they employ the people who produce the crude oil, which is quite a contrast to what happens in Saudi Arabia and Kuwait and the Neutral Zone and other places. The I.C.A. has played a very active part in this development.

In Sweden you will have seen the stations of I.C. and O.K. and their transport and advertising. They are doing a wonderful job here. Starting in 1945, they have developed to a point where the co-operatives handle 11-12 per cent of the total requirements of this nation.

In the U.S.A. we are continuing to expand, and the co-operatives now do about 20 per cent of the total agricultural business of the country, with a production of over a billion gallons a year, 2,900 oil wells and 11 refineries, as well as other facilities.

There is, however, another feature of I.C.P.A.'s operations to which I want to call attention. This is a service which cannot be measured by balance sheets or operating statements; it is in the field of international economics and in the social and political spheres, where I.C.P.A. has constantly pointed out that oil is a trouble-maker, that it is explosive in political and social systems, as explosive perhaps as the internal combustion motor. We have constantly been studying the question to see how oil can be made to work for peace instead of war. In the study on which we are now embarking the I.C.A. will take part along with the I.C.P.A., hoping to keep alive the hope that the United Nations will find a way to make oil smooth the way to peace.

I would mention also that in our meetings last week we talked about a co-operative refinery in Europe, and a further study is to be made of this. The Board of Directors was instructed to have a very comprehensive study made, and it will be done promptly. These are examples of what is being done.

I heard a few minutes ago a statement about agricultural producers and urban workers finding ways to work together. I think that oil is one of the commodities in which we can find a common basis for working together. Farmers need petroleum in increasing quantities, and so do urban workers. We are all customers for petroleum products, and here is a commodity on which we can come together and find a common cause. Consumption is increasing and, in my judgment, will continue to increase, regardless of the developments of atomic energy. The Board of Directors of the I.C.P.A. would like to see other co-operatives becoming interested in the distribution of petroleum products and in working with the other members of the I.C.P.A. in developing a real international organisation.

I mentioned a moment ago that oil is a commodity used by both urban and rural people. I hope that we shall work at it from the standpoint of what is good for all consumers of petroleum, regardless of where they live. One of the great philosophers of Mr. Brot's country used to point out that people standing at opposite ends of the earth see the same stars if they look high enough. We should

look over some of the things which divide us and find things where we have a common cause and a common need. I would say to Miss Polley, who has reminded me of a statement which I made 10 years ago, that I still look forward to the time when the I.C.P.A. will be sending its oil tankers across the seven seas, flying the rainbow flag, the flag of peace.

Mr. G. Capitaine, Switzerland : We have heard and read the very interesting report of the I.C.P.A. It deals with a product of fundamental importance to the world. I want to speak here of what I know, that is, the situation in Switzerland as much as in other European countries, and that is why I am speaking now. We should like the Alliance to take steps to ensure that our country does not remain under the pressure of the trusts. It is to be expected that the trusts will show considerable interest in it, and in Switzerland petroleum is more in the grip of the trusts than any other product. Some of our co-operative organisations have tried to organise the sale of petroleum on a co-operative basis, but they came up against these monopoly forces. In the various spheres in which our co-operative organisations work we are told, "There is, after all, a Co-operative Petroleum Association; why does not this Association help you to buy and then to sell petroleum on terms which can be freely discussed?"

This problem is becoming particularly dramatic to-day, because, as a result of the events of last autumn, a number of petroleum-producing countries, as Mr. Johansson points out in his excellent paper, are recapturing to a certain extent their freedom, and so they are having greater liberty in disposing of the petroleum which they produce. We feel that psychologically the time is ripe for our co-operative organisations to take advantage of this situation, and that they should obtain sufficiently large quantities of this material to be able to sell it on a co-operative basis and not on terms which vary according to time and circumstances. We saw that after November and December of last year petroleum prices increased considerably and in a wholly unjustified manner. If in Switzerland we had had a good organisation for selling petrol, we should not have seen such fluctuations in the sale price of this important product.

We feel, therefore, that the I.C.P.A. should pursue its activities and extend them, and we in Switzerland would like it to come closer to us and help us to organise the purchase and sale of petrol as is done in Holland, as Mr. Cowden has just said, and also in Sweden. Those who travel in Sweden by road, as I have done, can see how well the organisation of the sale of petrol on a co-operative basis is done in this country.

We in Switzerland are extremely concerned about the toll of the trusts and monopolies in this field, because two months ago we witnessed the setting up of a new organisation for the refining and sale of petrol in our country and in other European countries. It is an organisation which is bound to be in opposition to the aims pursued by our movement. That is why we are particularly anxious that the I.C.P.A. should play a much greater role in our country, not only to help us to struggle against the trusts, which have brought such pressure to bear on us recently, but also to help us to struggle against this new capitalist organisation, which is bound to raise further barriers to our attempts at securing a fair use of this valuable raw material.

I should like the Alliance to get together with the I.C.P.A. to see whether a federation of the West European countries – I have in mind particularly France, the Benelux countries, Italy, Germany and Switzerland – could form an organisation for the common purchasing of petroleum and the co-operative sale of it. This, I am sure, should form a good basis for the purchase and sale of petroleum, so necessary to all our consumers. In Switzerland, among the consumers, the peasants form a very large element. We hope that with the dynamic energy of Mr. Cowden and with the financial resources already available to the I.C.P.A. it may be possible so to organise things that these countries in Western Europe can have a system for the co-operative sale of petroleum.

The President: We have finished the reports of the Auxiliary Committees and of the I.C.P.A. The proposals which have been made will all be referred to the Committees concerned, and if there are any decisions to be taken the Executive will take them, together with the relevant Committee.

At the conclusion of this discussion I should like to repeat what I have already said in the Central Committee. I, with Miss Polley and the Director, have followed the work of the Auxiliary Committees, and we have been particularly satisfied to see how efficiently their work has been carried out. I want to say this because at one time I criticised the lack of efficiency of some of the Committees. I feel that the situation has changed and that their working methods are now excellent. The work of the Auxiliary Committees can form a very satisfactory basis for the activities of the Alliance.

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Resolution on the Report of the Central Committee

Peace.

The President: We now come to the resolution of the Central Committee on Peace. A small committee considered this resolution, and the Executive then also gave it consideration. Comments were made, and we were able to reach unanimous agreement on the text, which has been distributed to you and which I will read.

The 20th Congress of the International Co-operative Alliance meeting in Stockholm from the 4th to 7th August—

recalling that since the foundation of the Alliance in 1895 its Congress has persistently declared the will of Co-operators for universal peace and understanding between the nations of the world—

Makes appeal—

To all Governments to create such economic and social conditions as will prevent future wars;

To the Governments which to-day are producing atomic and hydrogen bombs, and other types of nuclear weapons, for the immediate cessation of the invention, manufacture and testing of these weapons, as well as for the destruction of existing stocks, under adequate international supervision, inspection and control, in order to lessen the mental strain and suffering which their present policies are causing to the peoples of the whole world;

To the Governments of all countries to work with greater determination, through the United Nations, for the limitation of armaments of all types, for their adequate international inspection and control, also for the enforcement upon all nations of total prohibition of weapons of mass destruction.

To the United Nations to adopt a more courageous and decisive attitude towards any member Government which, in violation of the Charter of the United Nations, may deny to its own or any other people their basic human rights.

Finally, the 20th Congress appeals to every Co-operative Organisation and to co-operative public opinion to press for the development of the peaceful uses of atomic power, and of all scientific inventions, as a means of improving the living standards of the people and of assuring future peace.

I move the resolution on behalf of the Central Committee. Before putting it to the vote, a number of delegates wish to speak.

Mrs. M. I. Gorelovskaya, U.S.S.R.: The Soviet delegation supports the resolution on Peace submitted by the Central Committee of the Alliance, since it takes into account, on the whole, a number of proposals made by a number of co-operative organisations. Although, of course, one could make a few individual remarks about it, I feel that we should unanimously adopt this important resolution. To-day the problem of defending peace and of banning the production of and experiments with atomic weapons, and of disarmament, is a problem of vital importance for the countries of the whole world. The whole world knows that the Soviet Union is constant and persistent in its efforts to bring about a ban on atomic tests, a ban on atomic weapons, the destruction of existing stocks, and the use of atomic energy only for peaceful purposes.

The Co-operators of the Soviet Union feel that the Co-operative Movement can achieve its aims only in an atmosphere of peace, and only in this way can we achieve an improvement in the well-being of the people. The Soviet Co-operators, therefore, are glad to support the ideas contained in this resolution. It is perfectly clear that the Co-operators of all countries, independently of their structure, must support the struggle against war.

The greater part of the population of the world is fully aware of the great dangers presented by the arms race in the world and by the increased production of nuclear weapons. The peoples of the world are particularly concerned by the fact that atomic tests are not only not being slowed up but, on the contrary, are taking place more and more frequently. Every atomic explosion brings back to our minds the horrors which were experienced by the first victims of atomic bombardment, the peoples of Hiroshima and Nagasaki. We recall also the horrors experienced by the Japanese fishermen who have been subjected to radio activity due to the experiments in the Pacific. These experiments are a great danger. Nuclear weapons are a terrible danger to future generations. That is why people of varying political and religious opinions, of different races and nationalities, insist on the cessation of atomic production for weapons of war. The Co-operative Women's Guild, the British Co-operators, the Japanese Co-operators and the Soviet Co-operators are all in favour of these ideas.

That is why the Soviet delegation submitted a draft resolution for banning the production of atomic bombs and for banning tests. We Soviet Co-operators, as members of the World Co-operative Movement, feel that the I.C.A., whose aim is to contribute to mutual understanding between the Co-operators of all countries, and whose aim is to strengthen the cause of peace, must add its voice to the voices of all those organisations which are struggling to secure the banning of atomic tests.

Nevertheless the adoption of a resolution is not enough. We feel that we should approach the question in such a way as to support the world movement of the partisans of peace. Inasmuch as we are struggling for peace, we feel that we should bring pressure to bear upon the Governments which will not accept the ideas contained in our resolution and which hesitate to destroy the stocks of atomic weapons. We feel that that is the duty of all Co-operators.

We here represent an enormous number of people. We feel that our governing organs, the Executive and the Central Committee, should at every meeting raise the question of what progress has been achieved in implementing the resolution upon which we are to vote. I feel that to-day we must unanimously adopt this resolution. We shall thereby make a valuable contribution on behalf of Co-operators to this world struggle for peace throughout the world.

The President: There is a time factor involved, and I ask those who support the resolution to be as brief as possible.

Mrs. B. Machacova, Czechoslovakia: The Czechoslovak delegation is particularly satisfied and happy to see that the I.C.A. is so categorical and so firm in the solution proposed for the terrible problem of atomic weapons. We are convinced that the members of all co-operatives will agree to the I.C.A. joining the protest movement all over the world, the aim of which is to put an end to the

production and testing of atomic weapons. This general movement of protest is supported by eminent people throughout the world, such as Dr. Schweitzer, and the women's organisations are also joining in the protest. The peoples of all countries protest against these horrors, and in particular the people of Japan, who were the first victims of atomic explosions. Mankind must demand that countries and Governments should undertake not to use atomic weapons, and should insist on these Governments undertaking to use atomic energy only for useful ends.

The Czechoslovak delegation supports the resolution. It is convinced that millions of Co-operators throughout the world will find inspiration in this resolution and will join in the struggle against atomic weapons, and for world peace.

Mr. S. Nakabayashi, Japan: The Japanese delegates from the Consumers' Co-operative Union and from the Central Union of Agricultural Co-operatives strongly support this resolution for the banning of atomic and hydrogen bomb tests and the peaceful uses of atomic energy. We have a terrible memory of the devastation of Hiroshima and Nagasaki, and we welcome the initiative which the Alliance is taking in this matter. It is because of this that the Japanese delegates support this appeal with gratitude, and hope that every delegate will support the resolution.

It may be difficult for other nations to realise how terrible the result of these bombs is. Even 10 years later their dreadful influence still remains, and we are very much afraid of the effects of the explosion of these bombs in some peaceful city of your countries. We sincerely hope that you can understand the terrible consequences, in the true sense of the word. This is a question of life or death, of the very existence of human beings. The development of the I.C.A., its welfare policy and friendly co-operation for mutual progress are things which can be discussed only when we live in a peaceful world. Unfortunately, however, on account of misunderstandings, we have not yet reached any unanimous agreement of world opinion. As the first nation to be subjected to atomic bombing, we firmly believe that atomic power must never be used for destructive purposes and should be allowed only for peaceful uses. This is our firm belief. We should agree to this resolution unanimously, in order to promote peaceful trends in this world.

This declaration is based on the Japanese proposals, and we hope that every delegate will support it, so that we may obtain a ban on the use of atomic energy for destructive purposes. We put forward another resolution with this object in view, but in view of the resolution now before us, which the President has moved, we think that our resolution is unnecessary and we ask leave to withdraw it.

The General Secretary: I have to inform you that in the Russian text, only, of the Peace resolution the following words have been omitted in the second paragraph of the appeal: "under adequate international supervision, inspection and control." You will find that those words are in the English, French and German texts, but unfortunately in the Russian text that phrase has been omitted.

The President: I call on Mr. Charbo. We have very little time, and I shall be grateful if those who wish to speak in support of the resolution will stand down, to make it possible for us to speed up our work.

Mr. J. J. A. Charbo, Holland: The proposed resolution is a plea for disarmament in order to ensure future peace and to lessen the present mental strain and suffering. We cannot support such a resolution unless we are prepared to support a plea for peace and for disarmament. Disarmament, though it may be essential for this extremely important purpose, is not by itself sufficient for the cessation of mental strain and the fear of war. The resolution refers to the will of Co-operators for universal peace and understanding, and is quite right in so doing; but when, last November, the Soviet Union started its aggression against the Hungarian people, no voice was heard by which the Russian Co-operators expressed their will to leave their Hungarian neighbours in freedom and peace. Far from bringing pressure to bear on their Government, as Mrs. Gorelovskaya wants us to do, they defended the aggression by their Government. This aggression was defended explicitly by the Russian Co-operative Movement.

The President: I think that these are things which you should have said when we dealt with the Hungarian problem. I do not think that this has anything to do with the resolution on Peace.

Mr. Charbo: I am trying to explain the reason for our attitude on the vote for this resolution. If I am not allowed to continue, we shall be unable to do so. If I may continue, I want to say that on behalf of the Russian Co-operative Movement information was given on the attitude of the Western Co-operators, of leading Western Co-operators, in a consciously misleading way. This was their manifestation of their will for peace and understanding. In these circumstances it does not make sense, in our opinion, to try to find words which will cover up a fundamental difference in thinking and in willing, and therefore the Netherlands delegation, very much to its regret, will abstain from voting on this proposed Peace resolution.

The President: I personally regret very much the attitude of the Dutch delegation. The pessimistic conclusion of Mr. Charbo's statement is war. We want to avoid a pessimistic conclusion. We refer to the mental strain and suffering caused by the armaments race and the race in atomic weapons. On behalf of the Alliance we must try to counteract this strain and recognise the need for Governments to show good will in pursuing disarmament, and we say twice in this resolution that we want disarmament which will be effectively controlled. I therefore appeal to you to be unanimous in supporting this resolution.

Mr. B. J. Patel, India: This is a very important resolution, and it is so vital and so urgent that we should readily accept the appeal made by our President and pass it unanimously. I energetically support the resolution in its entirety; but in supporting it I would remind you and the Co-operators of the world of the responsibility which lies upon us. We are for peace; we want peace to be established in the world. One of our objects is to work for the establishment of lasting peace and security. By passing this resolution we are really trying to establish peace, but in fact we are trying in a merely negative way to work for peace.

We ask the Governments of the countries of the world to work for peace. I have no objection to making an appeal to the Governments of the world. The Governments of the world will try to establish peace in their own way. They have tried up to now without success. They are always unsuccessful. They are

politicians and diplomats, who always try to build up pacts against each other to establish peace in the world, and they are not so successful as we desire. But we Co-operators have our own way of building up peace, not the political way, not the military way, but our way is a constructive way. We should try to build up peace not by appealing to politicians and diplomats so much as by appealing to ourselves.

☐ We build up peace in the world by the economic development of all parts of the world. We can establish peace which will be everlasting if we release the minds of the citizens of the world from the ideas of disputes and competition. Our task is to build up co-operation, joint action. We do not believe in disputes or quarrels and we do not believe in competition.

While we should pass this resolution, therefore, the Co-operators of the world should be reminded that theirs is a positive role which they are required to play; by mutual help they must build up the economic position in all parts of the world. If we succeed in this, it will be the surest way to establish peace.

It is gratifying to find that the Alliance is conscious of the need for this approach, and in fact in this Congress we are to have a wonderful paper by Mr. Johansson, who has suggested his way, the co-operative way, the positive way, the constructive way which we must all take. If we follow up the submissions made in his paper we shall be able to make a great contribution to the establishment of peace in the world. I hope, therefore, that, while making an appeal to other institutions and to Governments, we shall not forget our duty mutually to assist each other. Some American co-operators have told me that one definition of Co-operation is that one helps oneself by helping others. If we try to help others, instead of disputing and quarrelling with others, in my opinion we shall help ourselves, and we shall have peace which will be everlasting.

The President: I do not want to add any comments to the statements which have been made. What Mr. Patel has just said is perfectly true. The Co-operative Movement must seek to develop Co-operation throughout the world; but, while we are working to this end, the explosions may take place, and these bombs can destroy all our work. That is why we have paid so much attention on this occasion to immediate measures of disarmament.

Mr. P. Takov, Bulgaria: In this century, science and technology are opening up new horizons of well-being to mankind. Mankind is reaching the heights of its greatest aspirations. We feel that every country should try to use atomic energy for peaceful purposes. During our lifetime, however, we have seen a different trend. In recent years science has made many new discoveries. The atom has been split, but this discovery of the human mind, which could be so beneficial to mankind, has now become a terrible threat of man's annihilation to all people. It has been stated that the explosive power of one hydrogen bomb is equal to the explosion of some 10,000 tons of the most powerful explosive known hitherto, and it has been established that an atomic explosion can have terrible after-effects.

Millions of Co-operators throughout the world look to this Congress to overcome differences of opinion and to realise the dramatic importance of solving this terrible problem. I hope, therefore, that we shall unanimously agree to vote for the abolition of all atomic weapons, in order to save civilisation and to ensure peace and friendship among the peoples for the good of our children and of future generations.

Mr. G. Cerreti, Lega Nazionale, Italy came to the rostrum.

The closure of the discussion was moved and seconded from the body of the hall, and carried.

The President: The discussion will be closed after Mr. Cerreti has spoken.

Mr. Cerreti: The aim which you were pursuing, Mr. President, of obtaining a unanimous vote on this resolution, was interrupted by a statement which was quite unnecessary and does not come within the framework of the question which we are discussing. I support this resolution. The struggle for peace is the fundamental basis of the Co-operative Movement and the hope of all the men and women in our movement. The resolution seeks the banning of atomic weapons, leading to final disarmament. I feel that these questions should be dealt with in order to satisfy the aspirations of all Co-operators.

I should like to draw attention, however, to a formula which I find misleading and erroneous. We ask all Governments to create such economic and social conditions as will prevent future wars. In the Central Committee it may be that this question was not fully understood. How can capitalist Governments, for instance, take action against monopolies? I feel, therefore, that we should appeal to all nations instead of to all Governments.

Secondly, the President has appealed to us to pass the resolution unanimously. I agree with that fully, but I fear that it may raise certain doubts. We are anxious to come to an agreement, but the situation is changing all the time, and particularly in the direction advocated by the Alliance. I have in mind the increasing pressure which is being brought to bear by the peoples on their Governments to realise the need to get together and come to an understanding. The peoples must learn to understand each other and the Co-operative Movement must try to ensure such mutual understanding. These factors are bound to contribute to strengthening the cause of peace. Even if we were alone, we Co-operators, in stating our will for peace, we should not be discouraged, because we are convinced that our cause is right and that Co-operation can progress only if there is peace.

The President: The debate is closed. I do not think that Mr. Cerreti will insist on his suggested amendment of the text, which would raise the whole discussion all over again. Governments in the democratic countries are set up by Parliaments, and it is to the Parliaments that we have to appeal.

I now put the resolution to the vote. Those in favour will raise their hands. Are there any against? There are none. In view of what happened yesterday, I ask those who abstain to raise their hands. Only the Dutch delegation abstain. I am very sorry to see that they do so.

The resolution was carried without dissent.

Amendments to the Rules of the I.C.A.

Proposed by the Central Committee.

The President: We now come to the amendments to the Rules of the I.C.A. proposed by the Central Committee.

Section I. Constitution.

Article 4. Methods.

The I.C.A. shall seek to attain its objects :—

- (a) By convening periodical International Congresses.
- (b) By sending delegations to visit the Movements in all countries, with the special object of studying the Movements, of exchanging experiences, and of giving to the Movements such advice and guidance as they may desire, or which the I.C.A. may consider desirable.
- (c) By issuing publications.
- (d) By promoting the teaching and study of Co-operation in all countries.
- (e) By developing the activity of the Henry J. May Foundation, Permanent Centre of International Co-operative Study.
- (f) By carrying out research studies and inquiries on problems of vital importance to the Movement; and by collecting co-operative statistics.
- (g) By promoting the creation of International Co-operative Auxiliary Organisations for Trading; Production—Agricultural, Industrial, and Artisanal; Banking; Credit; Assurance; as well as for other sectors of economic activity; and by maintaining close relations with all such Auxiliaries.
- (h) By collaborating to the fullest extent with all United Nations Organisations, and with other Voluntary and non-Governmental International Organisations which pursue aims of importance to Co-operation.
- (i) By any other suitable and legal method. •

Proposed Amendment.

- (g) By creating International Co-operative Auxiliary Committees for Trading; Production—Agricultural, Industrial and Artisanal; Banking; Credit; Assurance; as well as for other sectors of economic activity; and by maintaining a close liaison with all such Auxiliary Committees.

Section III. Finance.

Article 17. Subscriptions.

Every Organisation affiliated to the I.C.A. shall pay an annual subscription in proportion to its development and economic importance and according to the scales laid down in Article 18.

Subscriptions shall be due on the 1st January in each year, and shall reach the office of the I.C.A. during the first three months of the year.

Article 17. Subscriptions (cont.)

The amount of subscription due from any Organisation whose remittance has not reached the I.C.A. by the 31st March in any year shall be fixed by the General Secretary according to Article 18 (in the case of a Collective subscription on the basis of the latest membership figures of the respective Organisation known to the I.C.A.) and shall be notified to the Organisation concerned with a demand for payment within three months.

Proposed Amendment.

Delete third paragraph.

Section V. Administration.

Article 28. Central Committee.

The Central Committee shall consist of representatives nominated by the affiliated Organisations and elected by the Congress.

Each National Organisation, subject to the full discharge of its financial obligations, shall be entitled to one representative in respect of its membership, and an additional representative for each complete £200 of subscription, provided that the Organisations of one country, or Union of countries, shall not have more than ten representatives, excluding the President of the I.C.A.

Any number of representatives of an affiliated Organisation not exceeding the number to which it is entitled shall have the right to exercise the full voting power of the Organisation.

If more than one National Organisation in any country is admitted to membership representation on the Central Committee shall be calculated with regard to their total subscriptions, and shall be divided proportionately between the National Organisations by mutual agreement.

All cases of dispute as to the allocation of representatives shall be decided by the Executive subject to appeal to the Central Committee.

At each Congress the members of the Central Committee shall retire, but shall be eligible for re-election.

Proposed Amendment.

Delete last paragraph.

Article 33. Duties of the Executive.

The Executive shall have the following duties :—

- (a) To admit new members into the I.C.A.
- (b) To admit Associates and to fix their subscriptions.

Article 33. Duties of the Executive (cont.)

- (c) To appoint the principal assistants of the I.C.A., apart from the Director and the General Secretary, and to fix their remuneration.
- (d) To draw up the budget for confirmation by the Central Committee and to control expenditure.
- (e) To prepare the Agenda for the meetings of the Central Committee.
- (f) To prepare and organise the Congress.
- (g) To present to the Central Committee an Annual Report of its work.
- (h) To direct the collaboration of the I.C.A. with United Nations Organisations, and with other voluntary and non-Governmental Organisations with which the I.C.A. shall have established relations.
- (i) To control the affairs of the I.C.A. between the meetings of the Central Committee.
- (j) To deal with all questions referred to it by the Central Committee.

Proposed Amendment.

- (c) To be responsible for the appointment, or removal, and the remuneration of the staff required by the I.C.A.
- (g) Delete.

Article 35. The Director and the General Secretary.

The Director shall be responsible for the necessary action to give effect to the decisions of the Congress, the Central Committee and the Executive, and for the control of the affairs of the I.C.A. in the intervals between meetings of the Executive.

In particular he shall have the following duties and obligations :—

- (a) To take part in the meetings of the Authorities of the I.C.A. with power to give advice but without a vote.
- (b) To represent the I.C.A. whenever the Executive may so decide at meetings of the United Nations Organisations and of other Voluntary and non-Governmental Organisations with which the I.C.A. shall have established relations.
- (c) To maintain relations between the I.C.A. and its members, to undertake such visits to National Movements, affiliated and non-affiliated, as the Executive may determine.
- (d) To edit the publications of the I.C.A.
- (e) To appoint the office staff.
- (f) To furnish an Annual Report of his work.

Amendment.

(i) To be replaced (i)

The President: I do not propose to read the text. The first amendment is to Article 4. Methods. Are there any objections? There being none, the amendment is adopted.

The next amendment is to Article 17, Subscriptions, where it is suggested that the third paragraph be deleted. Are there any objections? There being none, the amendment is adopted.

We then come to Article 28, where there is an amendment to delete the last paragraph. There being no objections, that is adopted.

The next amendments are to Article 33, Duties of the Executive. The first is to amend paragraph (c) to read :

“(c) To be responsible for the appointment, or removal and the remuneration of the staff required by the I.C.A.”

We do not think that it is necessary to convene the whole Central Committee to settle such minor administrative points; the Executive is quite competent to do so. The second amendment is to delete paragraph (g), which is unnecessary, since the Central Committee receives the Minutes of the Executive. Are there any comments? If not, that is adopted.

In Article 35 it is proposed to delete (e) and (f). There being no comments, that is agreed to.

We will now take a vote by show of hands on the adoption of the amendments as a whole. I will ask those in favour to raise their hands. The Czech delegation abstains.

The amendments to the Rules were adopted without dissent.

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Motions of Affiliated Organisations

Co-operation and Health.

The President: We now turn to the question of Co-operation and Health, on which a memorandum and resolution have been submitted by the National Federation of Consumers' Co-operative Societies of France.

Resolution.

The 20th Congress of the International Co-operative Alliance—

Recognising the importance of the considerations in the memorandum on Co-operation and Health,

Recognising also that a similar need for the education, as well as the protection, of the consumer exists in regard to a wide range of consumer goods other than foodstuffs, and

Being convinced that the whole problem of consumer protection urgently needs reconsideration in view of the effects of modern industrial techniques - instructs the Executive, at the earliest possible date, to convene an International Conference to consider the most appropriate and effective action which can be taken by the Co-operative Movement at international and national level in defence of the consumer, particularly from the standpoint of health.

Congress further recommends the fullest possible collaboration on the part of the Alliance with International Organisations, like the W.H.O. and F.A.O., which are already investigating the health problem.

Mr. M. Degond, France: In moving this resolution, which is submitted by the French delegation, I should like to say a few words. I shall be brief, because you have been able to read the memorandum which we have submitted, which justifies and explains the resolution. Moreover, the French delegation feels that on such a problem there can be no hesitation or objection, at any rate with regard to the principle of what is proposed.

It is certainly the case that amongst the fundamental concerns of consumers and their representatives is the quality of the product. This concern is not new. If we go back a little into the history of our Co-operative Movements, we find that, while they have attempted to defend the purchasing power of consumers against the traders, they have also tried to contribute to the improvement of the quality of the products sold, and to protect consumers against any deterioration in quality and against the activities of certain traders who have sought to debase the quality of those products. It is by no means a new problem, and we can say that co-operatives have been consistent in their attitude towards it.

Despite the continuity of their efforts, it is not a bad thing to review the progress which has been made and to see, for instance, if it is possible to relax control a little or if, on the contrary, new trends have appeared which make it necessary to increase this control.

In recent years the progress which has been made in health matters and in medicine has emphasised the connection between good food and good health, but at the same time industrial techniques have been considerably modified, various discoveries have been made, new processes have been introduced and technology

has affected the products which are produced. Chemical processing, synthetic additives, and so on have been introduced and changes made in the quality of products without the consumer always being aware of the fact. Furthermore, due to subtle publicity, the consumers are even unwittingly led occasionally to accept these new processes of which they themselves are the victims.

I have referred to the addition of synthetic substances to foodstuffs. There are, for instance, colouring or flavouring substances which can be added, the use of which can be dangerous; yet industries have been set up which do nothing but produce these additives. Throughout the food industry we see the introduction of chemical elements to ensure a more attractive appearance of the product, or its better preservation.

It is difficult to draw up a complete list of the chemical substances introduced into foodstuffs. An inquiry carried out recently showed that over 700 additives to food were used in the U.S.A., and over 500 in France, Belgium and Sweden. This practice is becoming more and more prevalent. Can we be sure that it is not dangerous and that it does not constitute a threat to health? If we know that certain additives are harmless, we cannot be so categorical about a number of other types of additive about which we have not necessary proof.

In the different countries the authorities are keeping a careful watch on the situation. All countries have legislation against fraud, and there are official departments the task of which is to implement this legislation, and workers in these departments who are conscientious and energetic; but do we know, and has it been proved, that this legislation represents the best solution of the problem? Is it true that these laws favour human well-being, and that this legislation is not influenced by certain vested interests which can always make their voice heard in certain quarters? Are we convinced that in various countries the public authorities have not submitted occasionally to disgraceful pressure by private interests?

It is indispensable for the consumers to defend themselves energetically and with determination. This cannot be done, however, by isolated Co-operators, but only by organisations of Co-operators, the consumers' co-operative organisations which represent the consumers. For this reason the question of protecting the health of the consumer was taken up by the French Co-operative Movement at its Congress at Pau last year. The discussion which took place there was talked about far and wide in France. But this is not merely a matter for one country, because the danger affects all countries and the problems arise everywhere.

We have to keep a constant check on the quality of foodstuffs. We have to keep a watch on the additives to foodstuffs. The Co-operative Movement everywhere has a fundamental duty to protect the consumer. This is, as I have said, a problem for all countries, and we feel that the Co-operative Movements of all countries should get together, exchange ideas and experiences, work together and co-ordinate their action. We feel that this co-ordination can be carried out only through the I.C.A. That is why the French delegation submits this resolution, which asks the Executive to convene, at the earliest possible date, an international conference to consider the most appropriate and effective action which can be taken in defence of the consumer. We appeal to you to adopt this resolution unanimously.

Mr. S. Apelqvist, Sweden : The proposers of this motion regard the composition of our daily diet as a technical problem, as of course it is. In my view, the connection between diet and health is so evident that it places upon all of us responsibilities concerning faulty diet which we cannot simply shirk by laying them at the doors of the specialist. The Co-operative Movement can and must enter the technical field by encouraging research into the nature of food products which will result in the rejection of such types as are injurious to health.

It is quite clear to me that the Co-operative Movement cannot refrain from selling certain foodstuffs because they might possibly be considered injurious. What our shops can do, however, thereby performing a great service to public health, is to abstain from "pushing" such products. An instance is the clear relation between the great increase in caries and the sale of sweets. It would be no disaster to co-operative shops if a fall in the sale of sweets were to result from their display in less prominent positions.

To take another example, there is a definite relation between corpulence and the steady increase in diseases of the heart and the circulatory system. It should be a task of the Co-operative Movement to lead customers to choose the less heavy kinds of food, which are less fat-building, more nourishing and more conducive to a healthy metabolism.

As a representative here of the Swedish Co-operative insurance society *Folksam*, I am particularly delighted that the French Co-operative Movement has taken up this question of diet and health, because *Folksam* has been and is active on the same lines. In a few months time, for example, we shall be starting out on what we call the "Health Year 1958." The whole campaign has been drawn up in close co-operation with the trades union movement, including the national "white collar" organisation, sports associations and the medical profession. Its objects are threefold. One of them is to stimulate interest directly in the subject of diet and health. Another is to encourage active sports. The third is to draw attention to the problem of those who are handicapped in everyday life by accident or by sickness.

This last problem, that of the handicapped, is one with which *Folksam* has already occupied itself widely throughout our country. *Folksam* has made it its business to create a climate of opinion in Sweden in favour of the promotion of measures to rehabilitate the sick and the injured on the widest scale, and can already show results. It is not within my scope to describe them here, but I wish to say briefly that they offer an example of the kind of work which the Co-operative Movement can do in the broad field of public health, general economic welfare and humanity.

Since 1953, *Folksam* has given an annual sum of £7,000 for the support of research and experiments. The grants are made to doctors engaged in research on new medical approaches and new forms of motion and muscle therapy, all aiming to restore the handicapped to a normal way of life. *Folksam* also provides research grants to doctors, physical and occupational therapists and others who plan to study at home or abroad and who agree to place their added experience at the service of Swedish rehabilitation. *Folksam* also makes grants towards certain experiments, such as the construction of units for cars designed for invalids, or other technical aids for the handicapped, and of teaching aids to vocational training and re-training.

In countries with a highly-developed industry and great density of traffic, more people are injured and become handicapped through accidents on their jobs and on the roads than through wars. Rehabilitation, therefore, is not concerned only with those suffering from war injuries.

In supporting the French motion, I have taken up some of the time of Congress with what might at first sight be regarded as a digression; but it is the resolution itself which has suggested it. I have been tempted to extend the meaning of public health to include everything, from the sale of rational food to the care of the industrially or domestically handicapped, among the possible charges of our movement.

I warmly support the proposal of our French colleagues that an international conference should be called on the problem of "Quality and Health," but I should like to add my hope, together with my approval of the resolution on this subject, that the I.C.A. and all the co-operative organisations affiliated to it will accept the wider meaning which I propose, and pay particular regard even to the problems of rehabilitation.

Mrs. E. Widhe, Sweden : At the Congress of the I.C.W.G. which has just been concluded, one of the most important questions was that of nutrition, health and food additives, on which the discussion was introduced by Sweden. This is a problem for all countries. Looking round the world to-day, we find that not more than a quarter of the world's population is adequately fed. The problem is to give each individual enough food and also the right food, healthy food. Housewives who have to take care of the family and who are responsible for the buying and cooking of food for the family know what they put in the pot, but they cannot know what preservatives and colour additives have been put in unless they are shown on the label.

The Congress of the I.C.W.G. came, after discussion, to the following conclusions. We believe that for real progress it is necessary to create international co-operation in this field under the auspices of F.A.O. and W.H.O., which should promote adequate and uniform legislation in all countries. Food must be pure and safe, and foreign matter in food should be allowed only when it improves in a real sense the quality or is found necessary and satisfactory after thorough testing. A list of permitted additives to different foods and the maximum amounts to be tolerated should be agreed upon internationally. To facilitate control, the food industry should be obliged to register additives used in different food products, with the proper authority. A declaration should appear on any food package where an additive has been used.

The Co-operative Movement ought to lead the way to the solution of these problems. Many steps in that direction have already been taken by co-operative industry. We hope that the Congress of the I.C.A. will join in the realisation of the demands of the I.C.W.G. Congress, and that the I.C.A. will collaborate with the women Co-operators on these very important questions.

Mr. F. Di Marco, Lega Nazionale, Italy : We have considered the resolution presented by the National Federation of Consumers' Co-operative Societies of France and should like to emphasise the importance which we consider that it has

for the Italian movement. Taking into account the various questions raised in the resolution, we think that the initiative taken by the French Federation is very opportune and just, because it calls the attention of all the Co-operative Movements to this question and asks them to take the initiative on the national plane to safeguard the interests of consumers against harmful additives to food.

In Italy, since the war, we find that we have reason for alarm, because of the dangers that may arise to the health of the whole population. Why has this phenomenon arisen? It is because in the development of techniques and scientific methods we find that there are laws and regulations which are not up-to-date and which are often contradictory and insufficient to combat the evil. In Italy the rules for the control, in the interests of health, of products such as butter, milk, oil and so on date from the middle of the last century. It will be obvious, therefore, that these laws are very out of date and useless as a means of effective control, and it is impossible for the authorities to discover all the frauds that go on.

The result of an inquiry made by journalists in Italy has confirmed the dangers which arise from adding chemical additives to food, because these elements are not edible and are sometimes even definitely harmful. The intervention of the Government has facilitated the discovery of these frauds, and there will be a great protest movement in our country which comes from the initiative taken by local authorities, private persons, students and so on, with the help of our co-operative organisations.

For these reasons the *Lega Nazionale* is wholly in agreement with the French proposal, and we hope that this Congress will adopt the resolution, because the consumers' co-operative organisations should be at the service of the consumers and must have the confidence of the consumers of the whole world. In present conditions the consumers' co-operatives should give all their attention to advising consumers on the quality of products and should improve their activity in the field of the education of housewives, not only to remedy the existing situation but to help and guide housewives in the future to buy good and suitable products.

The Co-operative Movement should take the initiative and make its position very clear in the fight against fraud, and should recognise the necessity for co-operative organisations to have their own chemical laboratories for the control of products with regard to composition and quality. In this way we can make our contribution to the defence of the health of the population. In this respect I should like to call the attention of Congress to the fact that the *Lega Nazionale* has taken the initiative of calling a national conference on these problems, which will be held in the autumn in Italy with the participation of various organisations and persons concerned. On behalf of the *Lega Nazionale*, I invite representatives of Co-operative Movements in other countries to take part in this conference.

Mrs. F. Heyman-Coulon, Belgium: Three years ago I had the pleasure of congratulating warmly the secretariat of the Alliance on the abundant documentation furnished to us on the education of consumers. You will have seen in the report of the I.C.W.G. to what extent our national sections have used this documentation which we received from the secretariat of the I.C.A. There is a great deal of documentation, on the subject which we are now considering, in the literature of the F.A.O., the W.H.O., and scientific congresses. I suggest that the I.C.A. should make digests on the same subject, which I am sure will be used fully by

our Guild. Thirty years ago in Stockholm we had at the Women's Co-operative Guild a discussion on a similar subject, vitamins, and we had no hesitation in speaking about this question, which became of such interest after the first world war.

We support the French proposal for an international conference, but we think that the women should also take part in it, because it is they who will do most to spread the good ideas which will emerge from such a conference, and they have the greatest responsibility in their kitchens. In Belgium in the autumn the Government, with the Red Cross and various women's organisations, will start on a programme of publicity for action of this kind. In Holland a prominent doctor has stated that incorrect diet is the origin of many heart diseases. We should pay great attention to some of these campaigns, because sometimes they are not directed to the health of the population but rather to making people consume more food, to help the farmers, and are not concerned first and foremost with health. When such campaigns seek to make people eat more refined sugar, for instance, we should be very cautious about them, because this may be exaggerated publicity for extraneous reasons.

There is the question not only of additives but of products which are not of good value because they are over-refined, as for instance bread which is too white and which does not contain mineral salts. This may give rise to caries and rheumatism. The Swiss co-operatives have paid great attention to the ideas of the doctor to whom I have referred, and in certain Swiss co-operatives much publicity is given to them. In Sweden a big campaign has been started for Swedish rye bread. It is a very good product, but we do not see it in the Latin countries. It would be a good thing to have collaboration between Co-operative Movements in the practical field on matters such as this. As has been said, the Co-operative Movement should be the friend of the consumer. Professor de Brouchère said 20 years ago that the Co-operative Movement should help the housewife to solve her daily problems.

Mr. W. J. Campbell, U.S.A.: In our country there is an old story which illustrates what we are talking about to-day. It is the story of the farmer who decided that he would save money by teaching his cow to eat sawdust. He was successful, but about the time that he got the cow convinced that it could eat sawdust and like it, it died.

We have the problem in our consumer co-operatives not only of saving the consumer money but of protecting the quality of food and the health of our members. For this reason we are happy to support the resolution introduced by the French co-operators, and we support it wholeheartedly. We have in the United States a Food and Drug Act designed to protect the consumer, but unfortunately unless there is adequate policing of an Act of that kind it is not possible to get the job done. This spring, Congress threatened to cut the budget of the Food and Drug Administration so that there would be no inspectors to inspect the quality of food. Fortunately the Co-operative League, the C.I.O., the nutritionists and others formed a coalition and persuaded Congress that the money should be restored, but the Food and Drug Administration is not able to cope adequately with the problems so well outlined by our French colleagues. We must have more funds for adequate protection, and authority to protect the consumer by forbidding the use of new chemicals in food unless they are proved to be safe for consumption.

An example of the problems that beset us is the use of agene in bread. Its use continued until it was discovered that, although it bleached bread, if such bread was fed to dogs they were driven crazy. The consumption of bread per person is not high enough for that to affect consumers very much, but when consumers found that agene was being added to their bread there was such a reaction that it is no longer used. There are other additives and chemicals employed which should not be used, and one of the jobs of consumers should be to get protection through the laws of the land and through the development of our co-operatives.

We therefore support the proposal of our French colleagues that a conference be called on Quality and Health in food, so that, working together, we can get more adequate protection. We shall be very happy to have an exchange of opinion on this subject and to give you the proposals of the Co-operative League of the United States to the U.S. Congress on protecting the consumer against chemical additives in food.

Mrs. J. L. Fowler, Canada : I am very interested in this food resolution, which I think is long overdue. Co-operatives have been working for more than a hundred years in the consumer movement, and I think that we have caused confusion in one sense by not using the power which we have in our own hands. If this resolution is carried as I hope that it will be, it will be necessary to have an international understanding of what pure foods are, and a Pure Food Act, I imagine, will have to be passed internationally. We in the co-operatives should see to it that, if anything of that kind is done, quality is related to price.

We shall have to appeal to the women to study this subject along with men; food is the concern of both men and women. We need a co-operative effort, and I suggest that we need a plan with common aims. There should be a kind of international label which will have true and proper information on it. If there are additives, this should be stated; if colouring is added, that should be stated. What is put in the can should appear on the outside of the can, and there should be distinctive markings on the cans for different qualities. We have in Canada a very good Pure Food Act and there are three qualities which will meet the income of anyone in our country. We have a high price quality, which meets the needs of the rich, we have a choice quality, which meets the needs of the majority of our people; and then, for those who have not much to spend, we have a standard quality set by the Government. All three qualities are nutritious and to put anything which is not nutritious in these cans is unlawful. The quality must be marked on the outside of the can. If someone cannot read or has not brought his spectacles he may not know what quality he is buying, and so we need a distinctive label.

I hope that this resolution will not simply be one which is sent to the Governments, because we in the co-operatives have the control of quality in our own hands, by demanding that our Productive co-operatives produce good quality for us. If we ask for distinctive labels, we should carry on vigorous campaigns to get them. To show what can be done, I should like to refer to an experience which we had in Canada. One Consuming group used government help to get a Canadian standard in labelling children's clothes, which was badly needed. I asked the people concerned how they would enforce it. It has been adopted by the Government and the markings should appear on any Canadian standard garments, but I

asked how they intended to enforce it and I was told that that was up to the manufacturer; if the manufacturer does not want to produce this sort of thing he does not have to do so. If you go to the Government, you will be stymied. I would ask Co-operators, if this matter is taken up, that they should get a standard and a label which is good and acceptable, and then we as co-operative members can see that our producers produce it for us. There is not much sense in passing resolutions such as this unless we, when we go home, are prepared to do something about it. We make our own decisions within our own laws, and we shall have to have some kind of international standard to govern this, and we need a label to indicate quality.

Mr. O. Rydeng, O.E.E.C.: We should like to congratulate the I.C.A. on taking the initiative in this very important field of consumers' education, which has been disregarded for much too long a time. I want to tell you something about what we have tried to do in the European Productivity Agency. We have not succeeded in doing very much so far. We have tried for the last two years to get a general meeting of consumers' organisations here in Western Europe, but so far have met with difficulties from certain countries which do not like the idea of the consumers coming together. However, we have now succeeded and have been able to convene the first meeting in Western Europe at which Western European consumers' organisations will come together. It will be held early in October in Paris. We shall have there the leaders and executives of the consumers' organisations discussing their programme, which will mainly concern technical problems such as you are discussing here, testing methods and so on.

I think that what is overcoming the difficulties which we have had from certain industrial spheres is that we shall probably see European integration advancing rather faster in the coming years, and many industrialists can see to-day that it is an advantage if the consumers, when they test different products, test them in a similar way, so that manufacturers do not have to meet different standards for each country in which they sell their products. At the end of the first meeting in Paris, we shall draw up a general report on all the activities undertaken so far in all the different countries. I think that a speaker from Belgium here was looking for such a report, and we shall be happy to put it at the disposal of the I.C.A. when it is ready.

The President: We have finished the discussion on this question, which is of great interest. The French delegation has asked me to express its satisfaction at the way in which you have received this proposal. The remarks which have been made are extremely interesting. Reference has been made to the control of fraud in different countries, but this question is rather different. It is not simply a question of controlling the fact that products conform to the standards in different countries; the question of health is rather wider than that. When international conferences deal with this subject they should point out the most important things. Very often firms have taken up an attitude which is not in conformity with what we desire and have tried to do away with the obligation to indicate on the package the nature of the additives used. We have to take up a different position. I think that after an international conference we should have technicians and other qualified people who can examine this problem and see what is being done in other countries.

We have been told about this in certain cases this afternoon. It should be possible to do very useful work. No amendment has been suggested to the resolution, and I now put it to the vote.

The resolution was carried without dissent.

Membership.

The President: There remains a resolution submitted by the Union of Swiss Consumers' Societies on Membership. Mr. Barbier has some remarks to make about it.

The Resolution.

The Central Committee will have henceforth the right to apply the interpretation of Article 8 of the Rules of the I.C.A., as it was formulated by the Executive at Paris in 1949 and accepted by the Central Committee at Helsinki in August, 1950, and by the Congress at Copenhagen in September, 1951, not only to Co-operative Movements applying for membership of the I.C.A. but to those which are already in membership.

Mr. Ch.-H. Barbier, Switzerland: In submitting this Motion to the attention of Congress the Swiss Union of Consumers' Co-operatives merely wished to express its desire for greater clarity in the secretariat of the I.C.A. We have realised, however, that this resolution has led to all kinds of reactions, even among our best friends. It was thought that we intended to ask that the resolution should be applied in all cases, which would mean that we were giving it retro-active force. We do not want to create confusion. On the other hand, at the meeting of the Central Committee in London, after the Swedish resolution had been accepted, and in view of the resolution adopted at Copenhagen in September, 1951; with regard to the effect of changes made voluntarily or involuntarily in an affiliated organisation, we thought that gave us sufficient guarantees. We therefore withdrew this resolution.

The President: The resolution is withdrawn.

On the agenda of our session this afternoon we have the question of "Management in our Times." It would be impossible to deal with this in the time at our disposal, and so, in agreement with Mr. Smaby, I have to inform you that on Wednesday afternoon at 2 p.m. we shall begin our consideration of this subject.

Close of the Fourth Session.

FIFTH SESSION.
Tuesday, 6th August, 1957.

The Promotion of Co-operation in Lesser Developed Countries

The President: This morning we are to deal with the promotion of Co-operation in lesser developed countries. There are three papers on this question. The first is by Mr. David Owen, who is Executive Chairman of the United Nations Technical Assistance Board. The second is by Mr. W. J. W. Cheesman, who, with his experience as a registrar in British territories, was later entrusted by the F.A.O. with the organisation of seminars. The third is by Mr. B. J. Patel, Hon. General Secretary, All-India Co-operative Union. After the papers have been presented, there will be, since they all deal with the same subject, a joint discussion on them, and then we shall take the resolution.

David Owen, Executive Chairman, United Nations Technical Assistance Board, then read the following paper.

I. The Progress of International Technical Assistance

The failure of the United Nations to solve all the major problems of the post-war world is taken by arm-chair observers in more than one country to mean that the organisation has proved its uselessness. This is not a view which is likely to commend itself to members of the International Co-operative Alliance, whose working lives have been bound up with the endless struggle to advance the great cause of Co-operation in the face of vested interests, operational difficulties and inescapable human problems.

The world is not yet a co-operative paradise, nor do we expect it in our lifetime ; but in our short lives we have seen developments, solid and measurable, in both the International Co-operative Movement and in the wider world of co-operative endeavour between national states, which would have gladdened the eyes of our fathers and which should give us great encouragement and confidence in the future of the institutions which we serve.

It is not my task at this time to discuss the achievements of the United Nations in the political sphere. They fall far short of what may have been hoped ; but they are not inconsiderable and it would be difficult to exaggerate the evils which might have fallen upon the world had the organisation not been available at certain crucial times during the last ten years. Less publicised than its important activities in the realm of political settlement and the maintenance of peace and security are the contributions of the United Nations and its family of specialised agencies to

international economic and social co-operation. It is with this aspect of its work, particularly that of the United Nations Programme of Technical Assistance for economic development, that I propose to deal in this paper.

The United Nations Programme of Technical Assistance is a combined exercise by eight International Organisations ; working together with a common objective. These are the Organisations—

United Nations Technical Assistance Administration ;
International Labour Organisation ;
Food and Agriculture Organisation of the United Nations ;
United Nations Educational, Scientific and Cultural Organisation ;
International Civil Aviation Organisation ;
World Health Organisation ;
International Telecommunication Union ;
World Meteorological Organisation.

Their aim is to help the economically less advanced countries of the world to raise their living standards by improving their agricultural and industrial techniques, their educational and medical services, their social welfare activities, and their public utilities and civil administration. The work is conducted, in fact, by technical experts chosen by the participating organisations, each in its own specialised field of competence ; and partly by means of fellowships granted to enable promising men and women in various fields of work to obtain further training and experience abroad. Since the inception of the Programme in 1950, nearly 6,000 experts have served in many ways ranging from advising on a narrow technical problem to giving assistance in the formulation of over-all national economic and social plans. Over 12,000 fellowships have been awarded for study abroad, ranging from " training on the job " in industrial enterprises to long-term study at advanced educational institutions. Equipment and supplies amounting to about \$12 million have been provided for demonstration purposes in connection with specific projects. Cutting across this general classification are numerous training institutions, regional training centres, seminars and group study tours, all of which are organised to promote regional or inter-regional exchange of information and techniques. In more recent years, help has been given in over a hundred countries and territories, and particular attention is now being devoted to new countries — such as Tunisia, Morocco, Ghana and the Sudan — which have recently obtained their political independence.

A Programme such as this must constantly adapt its practices and procedures to meet the changing needs of Governments, and in the light of its own operational experience. In the early days of our work, Governments' requests for assistance were often unrelated to any over-all development plan. Later, when there were more requests than there were funds to meet them, an attempt was made - not always very successfully - to establish a priority system in approving projects. This gave way at the end of 1954 to the programming system which is used to-day, and which gives to Governments themselves an opportunity of determining their own scale of priorities in making requests for help on the basis of a comprehensive country programme each year. This programming system is designed to ensure that Governments prepare an integrated plan, rather than a series of individual unrelated projects, and that the requests which it makes fit into their own national development plan.

Central co-ordination and supervision of the Programme as a whole are functions of the Technical Assistance Board, on which each agency is represented. The Board itself is assisted by some twenty-eight TAB Resident Representatives or Regional Representatives, covering over forty recipient countries. The Resident Representative provides a point of contact with the Government of the country to which he is assigned, and with representatives of other technical assistance programmes in that country. He is also a point of contact with any voluntary bodies which may be interested in the work of technical assistance in his country of service. He may be asked by the Government to advise on the rôle of technical assistance in a national development plan, reserving all technical judgment and decisions for the field representatives of the individual specialised agencies. Their most important rôle, however, is in connection with the programming process – that is, to co-ordinate the negotiations by which the annual programme requests are drawn up.

What is the financial basis of this programme? It is a voluntary scheme in which some 80 Governments take part – the figure for 1957 is 83 – and make voluntary contributions to a special Technical Assistance account. They are pledged to make an annual contribution, and the sums which are pledged are distributed among the eight organisations taking part in the programme in proportion to the requests which they receive. The sums of money received vary enormously according to the financial strength and development of the individual countries. The largest individual contribution comes from the United States, of \$15,500,000, but we have pledges from many countries which are more than comparable to this large contribution if measured in proportion to the population and wealth of the contributing countries. In the current year the total contribution is expected to be about \$31,500,000.

These contributions, incidentally, present the Board and the Organisations with an unusual exercise in financial management, since the majority of them are made in non-convertible local currencies. Every attempt is made to use all the currencies available each year to cover the salaries of experts, travel costs, living allowance of fellows, and the purchase of equipment. The Organisations, consequently, have the opportunity of drawing on the personnel and facilities of many different countries and can meet the request of a Government in any specialised field with the experts best qualified for the job, be they British, Indian, American, Brazilian, Egyptian, or other nationality. In practice, this method has led to the establishment of a truly international pool of expert knowledge. To date, some 77 countries and territories have provided our experts, while the institutional facilities of 105 countries and territories have been used for training fellows.

This co-operative feature has proved to be an important asset and one of the distinctive features of the Programme. It has allowed us to respond flexibly to special linguistic and cultural requirements, to the need for specialised knowledge, and on occasion to politically sensitive situations. Most important of all, it has given all Governments and peoples the feeling of being full partners in the Programme. There is no sensitivity on the part of recipient Governments about the aid they receive from the United Nations Programme, since the majority are themselves donors either in funds or personnel.

The diversity of economic and social fields in which technical assistance is given is another one of the distinctive features of the United Nations Programme.

Advice and training have been given in such varied fields as malaria control, establishment of model schools, development of shrimp fishing facilities, earthquake detection training, planning of irrigation schemes, use of heavy machinery, and a host of other services. Not the least of these is assistance in the establishment of Co-operative Organisations. Several countries have requested assistance in this basic approach to a sounder economy, and several projects in this field have already been successfully undertaken.

For eighteen months in 1952, 1953 and 1954, three experts provided by the I.L.O., and one U.N. expert, worked as a co-operative team in Burma. They were Mr. P. V. K. Ayyar (India), head of the I.L.O. mission, Mr. W. Van Warmelo (Netherlands), Mr. Cecil R. Crews (U.S.A.) and Mr. Alec Marriott (U.K.-U.N.). At the time they arrived in Burma, there were more than 13,000 Co-operative Societies in agriculture and industry, comprising a total membership of more than one-sixth of Burma's population. The U.N.-I.L.O. team was asked to help Burma intensify co-operative organisation and education ; to study co-operative methods throughout Burma for the purpose of improving and expanding them.

The team travelled through the north-east areas looking into the possibility of organising the production and marketing of four important local products—silk goods, tea, paper and potatoes. They found, incidentally, while they were on this tour that the principles of co-operation were already being applied by tribesmen to the catching and training of wild elephants. The men had found that the finance, group action and facilities needed to catch elephants were much better obtained by co-operative action.

On the basis of their first-hand studies of Burmese co-operative activities, the three experts suggested measures for improving and consolidating marketing and internal distribution. They drew up a scheme for an All-Burma Co-operative Bank. They drafted a co-operative law to be substituted for the existing one. They recommended ways of setting up powerloom weaving and central servicing plants for handlooms, as well as schemes for improving the lacquerware, hand-made paper, tea, and silk weaving industries. They trained seventy-two Burmese co-operative officers, produced several books on the subject, took part in courses and produced the script for an educational motion picture. The Burmese Government has acknowledged the progress in co-operative organisation arising from the work of the mission, but it will now be the country's own responsibility to take steps which will make the co-operatives healthy self-governing and democratic bodies, and a means of further economic development.

Thousands of miles away in Libya the Food and Agriculture Organisation has been instrumental in setting up a number of different Co-operative Organisations. In 1955 and 1956, Mr. F. P. Gaudefroy-Demombynes (France) has served as an expert in Agricultural Credit and Co-operatives. In this capacity, he has compiled draft legislation for Co-operative Societies and Credit Organisations, as well as the regulations governing such enterprises.

A year before Mr. Demombynes arrived in Libya, F.A.O. personnel had already been collaborating with local producers and exporters to form a co-operative citrus fruit marketing association. An Italian marketing expert, Mr. E. M. Rascovich, advised on the formation of the organisation which began exporting in February, 1954. It included practically all growers and exporters of Libyan citrus fruit. With funds which were contributed by the members and a loan from the Libyan Finance Corporation, the co-operative bought a large assembly line machine to wash,

polish and sort the fruit for packing. The Tripolitania Administration enacted more than 200 detailed regulations on size, quality, and so forth, to bring the fruit into competition on European markets.

At the same time another F.A.O. expert, Mr. H. W. Martin of Switzerland, was helping the local citrus farmers to organise a co-operative for spraying trees against disease. Under the arrangements worked out by the expert, each farmer not only pays for the insecticide used on his trees, but contributes to the co-operative fund £1 (\$2.80) for every hectare under fruit. With this capital the co-operative was able to organise seven spraying teams in the 1954-55 season.

With healthier fruit and an effective mechanism for marketing it, the sale of citrus fruit went up rapidly in 1954-55 and was sold on the Northern European market for the first time. The market has increased steadily since that time.

Other illustrations could be given of projects for co-operative organisation in Egypt, Guatemala, Colombia, Ceylon, Pakistan, Iran, Iraq, Afghanistan, El Salvador, and several other countries which have asked for help under the U.N. programme in the co-operative field. I should like to add in particular a reference to some of the important seminars on Co-operation which have been organised under this programme, and I am very glad to see in this hall this morning the members of a seminar on Co-operation which has been organised under this programme with the special help of the Government of Denmark. I should also like to mention, as an example of a programme which involves Co-operation at its primitive level, the great scheme for the Andean Indians of South America, a great community of men and women living at an incredibly low standard of physical existence, but who are now being helped by the joint efforts of five international organisations working under the United Nations programme, which is introducing the simplest forms of education and mutual co-operation with beneficial results. At the same time the facilities of the fellowship programme have brought fellows from these countries to observe the operation of well-established Co-operative Societies away from home.

This, then, is the United Nations programme of technical assistance. All the achievements to date represent only a beginning in dealing with the problem. For years to come the spectacle of human poverty, hunger, disease, ignorance and social misery is likely to remain a challenge to the creative energies of nations and to their capacity to co-operate through international institutions. But a beginning has been made, the challenge is being met, and there is every reason to hope that the work will be expanded as its usefulness is increasingly widely known and appreciated.

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Your Executive has laid down that the promotional activities of the Alliance should not overlap or conflict with the technical assistance work of the United Nations. The field of co-operative endeavour and opportunity is so wide that to me, at any rate, there appears to be little possibility, in the foreseeable future, of any overlapping of effort between the United Nations Technical Assistance activities and those of the Alliance. Nevertheless I believe it is useful to consider whether there are broad fields in which activity can be concentrated in order to make the best use of the limited resources at present available to the United Nations and to the Alliance.

The history of the Co-operative Movement in Western countries shows that it has generally been started by associations of individuals acting of their own free will and motivated by the economic advantages of this form of organisation. However, under conditions prevailing in a number of lesser developed countries the organisation of Co-operative Societies may have to take place through Government initiative. This is an age of development planning at governmental level, and in the lesser developed countries the Co-operative Movement is a most highly valued instrument for planned development. I believe that the recent survey conducted for the Alliance by Dr. Kéler in countries of Asia and the Far East has brought out two facts quite clearly. The first is that without the active benevolence and support of Governments, Co-operation cannot make the rapid progress urgently needed to-day. The second fact is that government action alone cannot endow Co-operative Movements with vitality and dynamic force. Government action alone cannot breathe the breath of life into a Movement. This can only come from understanding and acceptance of the co-operative idea among the people and the realisation that they apply it themselves.

So far as active benevolence and support at government level is concerned, the system of comprehensive "country programming" devised for United Nations Technical Assistance projects makes it possible to put a project to stimulate the co-operative idea in an appropriate position of priority in national programmes of development. It also makes it possible to determine what part of the project is too much for available national resources, and so to arrange the necessary technical and other assistance needed by Governments from outside. In the execution of a project in a country programme, the Alliance can be of the greatest help to the United Nations in giving advice on the sort of expert needed, sometimes even proposing candidates, in acting as consultant, and, on occasion, taking part in study groups or seminars contemplated under the programme. Projects in the United Nations programme, however, cannot last for ever, and if the growing Societies are to take over the handling of their own business, there must be clear understanding of the principles underlying co-operative organisation and its techniques. It is in this broad field, in the promotion outside the sphere of direct government action of a climate of public opinion favourable to the growth of the co-operative idea, that I see the Alliance concentrating its activities. In a number of countries government action in the field of co-operative organisation is undertaken with the intention that, at the end of an educational period, assistance from and supervision by public authorities will come to an end. Since it is generally not expected that this educational period will last more than a few years, the problem of how to withdraw government participation progressively without impairing the functioning of the Co-operatives must receive attention when the projects are being planned, not only on the part of the Governments concerned but also on the part of international and private organisations.

In brief, I would suggest, if I may, for your consideration that if emphasis is to be placed in one field more than in another, the resources of the Alliance might continue to be directed towards the spreading in the lesser developed countries of understanding and acceptance of the co-operative idea, leaving to the U.N. the more technical planning of individual projects in their relation to the over-all development of the country.

The Promotion of Co-operation in Lesser Developed Countries

II. The Rôle of Governments in Less-Developed Communities

By W. J. W. Cheesman, C.B.E., M.C.

The value of Co-operative Societies has become generally recognised. Both in Europe, where the Movement started and grew up, and in backward countries to which it was later transplanted, the benefits to be derived from a flourishing Co-operative Movement have been amply proved. The advantages of Co-operation in under-developed areas are two-fold. In the first place, a Co-operative Society can provide its members with economic advantages with which they would be unable to provide themselves individually ; in the second place, and in the long run possibly even more significant, Co-operative Societies have a most important educative value. Thrift, self-help, fair dealing and, above all, practical training in the operation of democratic control are all fostered by the association of the people in Co-operative Societies.

The economic objects which have been achieved are numerous. In fact, experience has shown that Co-operatives have been able to meet many of the needs of economically backward peoples. In many countries of Asia, Africa, and Europe, Co-operative Societies have proved themselves able to combat indebtedness, increase the production of peasant farmers, give the producers a fair return for their labours, reduce exploitation by middle-men and grasping landlords, provide farming and household necessities of good quality and at reasonable prices, and even to improve health and living conditions. Also by teaching thrift and encouraging saving, they have improved individual and national economies. Obviously, Governments should be interested in the establishment of flourishing Co-operative Movements particularly in the economically under-developed countries.

History proves that co-operative development did not succeed on an appreciable scale in these countries unless Government took the initiative. In the nineteenth century, there were few, if any, successful societies in Asia or in the less-developed areas of Africa and the Western Hemisphere. Early in the twentieth century, one reads about spasmodic attempts by individuals to establish Co-operatives there. In British Guiana, the Victoria Consumers' Society struggled on for a time and failed. The Lufti brothers in Egypt founded the first Co-operatives in 1911, but there was no serious development until the Government took up the work in 1923. In 1901, Sir Frederick Nicholson recommended that the Government of India should introduce the Raiffeisen type of Credit Societies to combat indebtedness and increase peasant production. In 1934, Strickland advised the West-African Governments to inform the people about Co-operatives and assist in their organisation. Between 1922 and 1947, in the days of the mandate in Palestine,

the Co-operative Department helped the Arabs to organise some 280 Societies. When the mandate ceased and there was no Department, these Societies became dormant. Recently some of them have revived because a Co-operative Department has been set up in Jordan.

For more than fifty years a few British enthusiasts have experimented with transplanting Co-operatives from Europe to many different climes and peoples. The start was made in India in 1901 and from there it spread to Ceylon, Burma, Malaya, and other Asian countries. After World War I, Societies were started in Cyprus and Palestine. During the 1930's, experiments were extended to East and West Africa and to the Caribbean. Towards the end of the decade we came to a more general realisation of the correct methods and the part to be played by Governments. Unfortunately, World War II delayed a wide application of these methods to all British territories until 1946, when the Secretary of State sent a dispatch to the Governments of all British dependencies explaining the value of Co-operation and the rôle of Governments in its formation. Having then struggled myself to promote Co-operation in Nigeria and the Gold Coast for more than 10 years, I regarded this dispatch as the "Magna Carta" of Co-operation in the British colonial dependencies.

If co-operative development is to be achieved it seems to me that there should be certain essentials, which I outline briefly as follows:—

- i. A full understanding by Governments and people of what Co-operation is and how it can be used.
- ii. A proper assessment of the needs of the people at the family, village, regional and national levels, and comprehensive planning to meet these needs.
- iii. Selection of the plans which can be undertaken by Co-operatives and education of the people to inspire them to finalise the plans and to implement them.
- iv. Sociological studies of the people, so that the human material being built into Co-operatives will be used to the best advantage.
- v. Suitable staff trained to undertake the work involved in items i. to iv.
- vi. Suitable laws to provide a simple means of registering or incorporating Co-operative Societies and governing their operations.

The proven British form of Government action has been the provision of suitable co-operative legislation and the establishment of a Department for Co-operative Development.

In order to be suitable, the Co-operative Law must:—

- a. be clear and easy for the layman to understand ;
- b. make registration so simple that lawyers need not be employed ;
- c. make certain that co-operative principles are not transgressed ;
- d. state clearly the duties, rights and privileges of Societies and members ;
- e. provide for audit and inspection of Societies ;
- f. include simple and cheap methods of settling disputes and liquidation ;
- g. prevent misuse of the word " Co-operative " and protect Societies ;
- h. provide for a Registrar and give him powers and duties which will ensure a healthy, progressive Co-operative Movement.

The Co-operative Department should have a specially selected and trained man as its head with a staff of suitable officers to assist him. This head, usually called the Registrar, but more recently entitled the "Commissioner for Co-operative Development," is the key man. He is the "Father" of the Movement. He must understand the people and know the country and inspire confidence and trust. He and all his staff must have a thorough knowledge of the Co-operative Movement and understanding of co-operative principles and their practical application. They must be sensible business men who understand accounts and records. They must believe in co-operative ideals and be so inspired by them that they are prepared to sacrifice leisure hours and even some of their family life to their work.

The general policy of the Department is important. Co-operative Societies must be organised by the members for the members. It is the duty of the co-operative staff to advise, guide and educate the members who must make their own decisions. The staff should only take action when the members are unable to do things for themselves, and then purely as a temporary measure until education catches up with action. Whenever possible, education should precede action and should aim at making Societies completely independent as soon as possible. Assistance should progressively decrease as members become more capable of managing their own affairs. Advice and planning should never be imposed on the people. The essence of success is to work so that the people produce ideas and plans as their own. The Department must be unselfish, seek no credit and regard itself as one of the agencies for co-operative development welcoming all the others.

In the day-to-day work of the Department, office work must be cut to a minimum and as much time as possible devoted to field work. Much of this must be done when people are free to benefit from it, usually in the evenings and on holidays. This field work can be divided into five main headings, viz :—

- i. Promotional work - including propoganda, economic appreciation, planning and organising Societies, the provision of suitable bye-laws and guidance in the legal formalities leading up to incorporation.
- ii. Education of members, officers of Societies, committees, employees, and voluntary workers.
- iii. Advisory duties relating to the law and to day-to-day operation. Advice on the law can be positive, but on other matters it is best to give the pros and cons of the various possible courses of action and let the committee or meetings of members decide what to do.
- iv. Inspectional duties which are carried out on regular or surprise visits. These include checking cash, accounts, registers, and the operations of every Society to ensure as far as possible that everything is in order and that the law and the bye-laws are being respected. The manner in which this difficult task is carried out is most important. The inspector should be the friend of all good officers and employees of the Societies. He protects them from loss and temptation. He inspires confidence in members and the general public without which there could be few deposits of cash, contributions to shares and savings schemes. He authenticates the credit-worthiness of Societies.
- v. Audit duties which are prescribed by law. Proper audit must be carried out at least once a year. This is additional to inspections on which it provides a check. A co-operative audit includes an examination and report on the work of a Society in all its aspects as well as the audit of accounts.

The promotional, education, advisory, and inspection duties are often combined by one field worker, who is allotted an area in which he should become the guide, philosopher, and friend of all Co-operators and prospective members of Societies. He should be able to call upon all Government experts for advice and so cause Societies frequently to become the liaison between experts and farmers. A Co-operative Officer combining four types of duties should supervise a maximum of twenty Societies, but in my experience there is usually a shortage of staff and all the officers are grossly overworked. The higher forms of co-operative education are carried out on a regional, national, or international level and are conducted by specially trained Officers who have specialised in this type of work. Audit work should never be combined with the other four duties because the auditor should be impartial and free to criticise the results of the work done by the local field workers.

I have indicated that the Co-operative Department is just one agency. In most under-developed countries, it will be the first and for some time probably the only one. Unfortunately, most of the budgets of such countries are small and funds are limited. The Governments cannot afford to employ many Officers and the chosen few will soon be unable to cope with all the demands for assistance. The better their work has been done, the sooner this state of affairs will arise. This must be foreseen and other agencies developed. From the beginning, members must be taught that they should aim at self-help and independence. All the bye-laws of Societies should include as one of the objects "To foster the development of the Co-operative Movement." At first, the efforts of the members will be fully occupied with the growth of their own Societies, but as soon as they are well established they should help to expand the Movement. Education should teach them that they should assist others to obtain the benefits Co-operation has brought to them and also that the stronger the Movement the better it can help the members.

The first result of this education should be voluntary workers, who can be trained by the co-operative staff to assist them. Then when sufficient Societies are strong enough they can unite to form one or more Audit and Supervisory Unions, whose objects would be (i) to formulate co-operative policy in the area ; (ii) to provide educational, supervisory, and audit services ; (iii) to provide standard books and forms ; (iv) to develop and extend the Co-operative Movement. The member Societies should make annual contributions as soon as they can afford to do so. Governments usually subsidise these Unions and this is justified by their educational value and the fact that their staffs will relieve the Department of an ever-increasing amount of work. The most profitable types of Societies such as Consumers', Supply, Processing and Marketing, are usually the ones which can afford to finance Unions adequately. Thrift and Credit Co-operatives cannot afford to make large contributions but they are so useful to the nation that Government should support them as part of the savings campaigns.

In most cases a new Audit and Supervisory Union will not be able to undertake all its functions at once. Its officers and staff will need to be trained and gain experience. Thus the Co-operative Department should gradually transfer more and more work to a Union until it becomes completely independent. Experienced co-operative leaders are not all in agreement about the order in which the various functions should be transferred. Some favour a retention of audit control by the Department as long as possible. Of course, local conditions vary and must influence

decisions, but generally speaking I favour the transfer of audit duties to Unions as soon as possible. Whilst Government Co-operative Officers are auditing it is difficult for Co-operators to develop independence and that is what we should aim at. Auditors must be free of all implications of Government interference as soon as possible.

In addition to the Government and internal co-operative agencies, one finds others interested or actively engaged in the development of Co-operation, e.g., extension services of universities, local welfare associations, land reform and development agencies, the social welfare workers of religious bodies. These can all be most valuable for the initiation and early development of Co-operatives in new areas. They can speed up the process of expanding the Movement until it is strong enough to fend for itself.

In the early years, finance is a serious problem. Few of the people who need help have the dogged tenacity of the old European pioneers and also their resources are so meagre that it would take them years to amass sufficient capital to make a start. There is a danger in too much Government finance and attempting a rapid build-up from the top. This was clearly demonstrated by certain Co-operative Wholesale Establishments set up by Governments, which had to be re-organised or liquidated after serious losses. However, most young Co-operative Movements will be seriously retarded by lack of funds unless they are assisted by the Government. Before this help is given, the Co-operators should subscribe enough capital themselves to make them regard their Societies as their very own, to give them a sense of responsibility and to make the Societies credit-worthy. The right time to help them must be carefully judged. It is usually a mistake for Government to finance Societies directly. In some countries, Governments have put funds into special banks from which Co-operatives can borrow. Examples of this are the *Crédit Agricole et Coopératif* of Egypt, the Agricultural Bank in Cyprus. The danger here lies in too much Government and bank control leading to the Societies becoming merely the agents of the bank. This happened in Cyprus prior to 1938. Better results have come from a Government guarantee against loss granted to commercial banks. In Ghana, the guarantee is now up to one and a half million pounds. In Cyprus the guarantee granted in 1938 has been cancelled because the Movement has become so strong that commercial banks consider it credit-worthy without a guarantee.

Good results have followed the organisation of Co-operative Banking Unions and Central Banks as soon as the overall business of a Movement is sufficient to maintain them. This has several advantages. Government or commercial money is used together with co-operative funds as working capital and the feeling of independence is strengthened. Risks of loss are spread over the whole Movement, and strong Societies reinforce the weaker ones. Surplus funds and reserve funds can be utilised in the Movement. Above all, Banks are managed by co-operators who thus acquire a business education, which will produce the outstanding leaders needed as the Movement grows.

In British under-developed territories most laws give the Registrar very considerable powers. Experience in many countries has shown that at times these powers are necessary to ensure the development of a healthy Movement, but they are generally used with discretion. Many of them I have never used myself.

Conclusion.

In part of Europe and North America, vigorous Co-operative Movements have grown without Government assistance, but in the very different conditions prevailing in other continents, and having due regard for the need for sound and rapid development, this is seldom possible. There Co-operative Movements will need the active encouragement and advice of their Governments, whose initiative will be necessary to start them. The form that Government assistance should take will depend upon the conditions prevailing in each country. However, the universal policy must be to guide Co-operative Societies to real independence. In the early stages these Movements must rely for guidance very largely upon the Registrars or other officers appointed to help them. This state of affairs must not be allowed to continue indefinitely. The members must be educated in those excellent qualities—self-help, self-reliance, and independence. It is inevitable that, as guidance and control are relaxed, the Societies will experience difficulties and there may be serious mistakes and failures, but fear of this should not cause the staff to over-nurse the Movement. They should protect Societies as far as possible from too serious effects of errors, but they must not coddle them. They must aim at sturdy, vigorous, independent Co-operative Movement.

Mr. W. J. W. Cheesman, in presenting his paper, said: I do not propose to read my paper, because I hope that you have already done so, or, if not, that you will be sufficiently interested to do so afterwards. What I propose to do is to go through it briefly in the time available and try to underline a few points, and perhaps add a little to what I have written.

In the first paragraph the point which I want to underline is the education value of the co-operative societies in the countries with which we are dealing. What I have often said when I have been talking in these countries is that if we are just trying to get a few shillings more for our products, or trying to get goods for people at rather a cheaper rate, we are wasting our time, because it is ten to one that they will simply waste the extra money that they get and it will get into the hands of moneylenders and others and in the end cause more harm than good. We must emphasise the educational side of Co-operation, particularly leading up to thrift. By "thrift" I mean thrift in every way and not just saving money. I consider that thrift means making the best of all the resources which the people possess. If they learn to do that, then I think that the co-operative societies are helping them in the right way.

Then we come to the old question, why should Governments have anything to do with this? In Europe, in England and in America co-operatives grew up and did not need any Government assistance; in fact, most of them had to fight very hard against Government opposition. But times are different now and the tempo has speeded up. We have not time to carry out all the long experiments and struggles which marked the beginning of our British and European Movements. Moreover, we find, as my own experience shows, that in many countries unless the Government makes the first move nothing will happen at all, or, if it does, it may be done in the wrong way and mistakes may be made which will lead people to say that Co-operation is no good.

We have had definite examples of that. When I went to British Guiana I looked into the past history of the Movement there and found that very unfortunate

incidents had happened. I have mentioned the Victoria Consumers' Society, and particularly it comes to my mind because a very old man cried when I told him the story of that Society. He told me that he had put his niece's money into the share capital of that Society and he lost all the money and brought great trouble upon the family. I thought that that was a terrible thing to happen, and it is that sort of thing which we must try to prevent if we possibly can. It is possible to point to other examples. The Lufti Brothers in Egypt were inspired. They had been to Germany to study there, and they knew all about Co-operation and came back to try to introduce it in Egypt, because they realised how much value it could have to the farmers there in particular. They struggled to introduce it, and unfortunately one of them died in the struggle, but the other carried on. The results, however, were very small, and it was not until the Egyptian Government took a hand that real progress was made. The same can be said for many other countries.

I should now like to come to what I believe are certain essentials for co-operative development in any country. The first is a full understanding by Government and people of what Co-operation is and how it can be used. I think that that is very important indeed, because I often find that Ministers and Government tend to think that Co-operation is a magic word, and that it is only necessary to write it down on paper, to put down a few rules, register a society, and the job is done and the solution there. If any difficulties are encountered, they say, "Set up a co-operative society, and then it will be all right." That is one of the greatest difficulties, to get Ministers and Governments to understand what Co-operation is, to understand its limitations, to realise how long it takes to get semi-illiterate or completely illiterate people turned into co-operators. It cannot be done in a week or a month or a year; it takes a long time. Only the other day in a certain country, the name of which I shall not mention, a Minister said, "I want 200 societies organised by the end of the year." I replied, "Sir, it is quite impossible; it cannot be done. We can do it on paper and it may be the subject of reports, but there will not be any co-operative societies there at all."

Another point is that so often people want co-operative societies because they think it is the right thing. In England we say that a housewife wants lace curtains because her neighbour has lace curtains. That is the wrong approach altogether. Co-operative societies must be organised only where they are needed, where there are definite needs of the people, and those needs can best be met by having a co-operative society. There is a tendency to mix up co-operative societies and local government, and try to put on to co-operative societies jobs which should really be done by village or local councils, or bodies of that kind. There is also need for the people to understand this business. It is not possible to take people and bunch them together into co-operative societies. You are building with human material, and you must understand that material before you can help people to organise proper co-operative societies.

We then come to the question of suitable staff, trained to carry out all this sort of work, and a law to suit the type of people and the co-operatives which are going to be organised in a particular country. I have given what I think are the essentials in that kind of law. The great essential, of course, is that it should be simple and that ordinary people should be able to understand it. We do not want to have to employ lawyers all the time to draft the bye-laws of societies and to argue as to

the meaning of certain provisions of the law; we want to be able to understand it ourselves, and to be able to say what it means, so that the people themselves, as time goes on, will be able to understand the law.

I have given the general English pattern which we have found by experience over about 50 years now to be a good one, and that is to have a Co-operative Department and a suitable law. The Co-operative Department should be headed by a man called the Registrar, or who is sometimes now called the "Commissioner for Co-operative Development," and there should be a suitable staff dedicated to the job. I say "dedicated to the job" because it is not an easy one. In a paper such as this it is not possible to give the human story lying behind all this - what the field workers in the Co-operative Department have to do and how they have to go to the villages at all times when the people there are free to meet them. It means going in the evenings and on holidays when other people are enjoying themselves. At such times the co-operative officer has to go off to attend meetings. We have coined the phrase "co-operative widows" to express the state of the wives of so many of these co-operative officers.

The co-operative officer has to give up all his time, so that his wife says, "My friends have been to the cinema, and you were not here to take me," so that he has a home background which may become difficult. I usually point out these difficulties to co-operative staff and say to them, "If you find that this is becoming too much for you and that you are having quarrels with your wife, tell me and we will get you transferred to a more sit-down type of job." But so enthusiastic do most of them become that I find that very few have ever applied for a transfer.

It should be emphasised how much rests on the shoulders of the key man who is in charge of this Department. It may be that he decides on a wrong policy and spoils the whole set-up. That danger can be overcome, I think, because most of the laws provide for a council to make sure that the policy of the Co-operative Department is on the right lines. It is essential that the Co-operators themselves should be on that council as soon as it is possible to appoint them.

The other point which I want to underline is that from the beginning the members must be taught that they should aim at self-help and independence. It is possible to do that in the education programme, but, human nature being what it is, there needs to be some concrete gain in order to make all the members keen. I think that a concrete gain is that the stronger the movement becomes the more it will be able to help its members and the more benefits they will get from it. Their outlook may be selfish, but to keep a long-sustained effort there must be a certain amount of concrete benefit which is being offered. Typical of that, of course, is the patronage dividend or bonus, whatever we call it, which I think keeps a great many members loyal to their society where they would not bother to come to its meetings for education and so on.

There is one thing which I have omitted from my paper, and it concerns school co-operatives, or juvenile societies, as they are called in America. It is very important that Governments should realise that part of the education in the schools could be co-operative training. If the children in the schools have co-operative societies they will not only learn about Co-operation but get practical training in arithmetic, in dealing with money, in holding meetings, in parliamentary procedure and so on. I remember going to one such society in British Guiana which consisted

of girls only and the way in which those girls conducted the meeting would be an education to many adults. I was asked to speak and spoke for about 10 minutes, and then the chairman rose and made a very good precis of my many points, and proposed a vote of thanks. Another member, in seconding the vote of thanks, referred to two points which the proposer had not made and the vote of thanks was carried. That is a very valuable training for children, so much so that in the Education Department of British Guiana, they have seconded six teachers to the Co-operative Department to foster these children's co-operatives in the schools, and they have amended their law to provide for children being full members and having a vote and actually handling the money, paying it into the bank and so on.

The question of finance has usually been a problem in the early years, a problem which the Government has had to help to solve. I have noted that the resources of many of the people in these countries are so meagre that it is difficult for them to raise funds themselves. I have in mind one consumers' co-operative which had to save up for two years before there was enough money to make a start in a small way. You seldom find that people are dogged enough and determined enough to carry out such a programme as that.

All the same, it is a mistake to say that people have not any money; that is quite untrue in most cases. I was in a village in Jordan where that story was put to me by the people. They asked "What is Government going to do for us?" I said, "That is not the point; the question is, what are you going to do for yourselves?" They replied, "But we have not any money." I said, "Wait a minute," and I walked round and counted over 90 cigarette stubs on the floor. I said, "Look at this! If you made a resolution not to smoke at every meeting, and put the money you saved into the funds, you would have a good deal of money at the end of the year, simply by each smoking one cigarette less a day. Just think of the money that would give you by the end of the year!" They all agreed that that was right and said that they would try. They have tried, and it is astonishing to see how much money they have got together.

Finally, I should like to underline that part of my conclusion where I have said that the policy must be to guide co-operative societies to real independence. I look on the job of the staff of the Co-operative Department as rather like that of a man who is teaching a friend to ride a bicycle. First of all he has to help him up altogether, or he will fall off. Then he runs behind him and lets go and says, "You have ridden 20 yards on your own," and then there is a wobble and the rider falls, but the teacher catches him so that he will not hurt himself. The teacher then lets him wobble and fall off, but so that he does not hurt himself seriously or he will lose his nerve. Gradually the rider's confidence comes and his mistakes are learnt and he gains wisdom, and so comes gradually to complete independence. That, I think, is how this question of guidance in Co-operation should be looked upon.

The President: Thank you, Mr. Cheesman. We have heard in you the voice of experience, and I think the advice you have given is of great value even in our own countries.

III. The Promotion of Co-operation in Lesser Developed Countries

By B. J. Patel.

Hon. General Secretary, All India Co-operative Union

It is heartening to note that the International Co-operative Alliance is now seriously concerning itself with the implementation of programmes aimed at the realisation of one of its important objects, viz., the promotion of Co-operation, particularly in the lesser developed countries of the world. This significant development in the activities of the International Co-operative Alliance gives me considerable joy because of my sustained interest in the proposal for such a programme ever since it was presented to the 17th Congress of the International Co-operative Alliance.

During the past eight years the International Co-operative Alliance, in pursuance of the resolution adopted by the 17th Congress, has indeed taken some important steps. The most important of these were the illuminating paper presented by Mr. Watkins to the 19th Congress ; the setting up of the Technical Assistance Sub-Committee ; and last, but not the least, the assignment of Dr. George Kéler on a fact-finding tour of some of the lesser developed countries of Asia. All these steps have greatly helped to clarify our thoughts in regard to the nature and content of the projects which can usefully be undertaken by the International Co-operative Alliance.

However, I wish to present my own views on the subject from the point of view of the experiences and handicaps of the Indian Co-operative Movement with which I have been actively associated for over a quarter century. The object of this Paper will be largely fulfilled if it helps to clarify further our ideas and provokes discussion towards crystallisation of opinion, both in regard to the nature and content of the programmes to be undertaken by the International Co-operative Alliance and the areas of their implementation. I am thankful to President Brot, Mr. Watkins, and Miss Polley for giving me the privilege of submitting this Paper to the Congress.

Now we are at the moment concerned with the promotion of Co-operation in the lesser developed countries. But, according to recent United Nations figures, approximately two-thirds of the world's population, in as many as 29 countries, are living in conditions of acute hunger. This means that the problem is by no means small. And to all those who have pinned their faith on the efficacy of Co-operation as an invaluable instrument in bringing about the welfare of men of small means, and for improving their standards of living without in any way encroaching upon their liberty and dignity as human beings, this certainly offers a challenge. It is my firm conviction that we in the International Co-operative Alliance will be failing in our duty if we do not accept the challenge and gear our programmes to the noble task of improving the socio-economic conditions of the largest section of the population of the world.

I have no doubt that the Alliance shares my conviction that the key to the right solution of this grave and immense problem, the way to demonstrate our claims in respect of the attributes of co-operative action, the means of vindicating our position as the international organisation responsible for the promotion of Co-operation all the world over, and the surest way of ensuring the establishment of lasting peace in the world, lies in implementing specific programmes aimed at the speedy and healthy promotion of Co-operation in these countries. In view of this the rôle which the I.C.A. has elected to play is an important one inasmuch as it involves, in the last analysis, assisting man to evolve into a co-operative man.

I am conscious of the fact that the problem is out of all proportion to the resources which the Alliance has at its command. However, this should not deter us from making a beginning somewhere, after establishing a priority list of the countries which need our assistance and attention most. It may be that the Alliance already has some definite views in regard to the area to which it should direct its attention. Dr. Kéler's mission was, it seems to me, a step in the right direction. For, of the 29 nations listed by the United Nations Organisation as the poorest nations of the world, when measured by per capita real income, as many as 19 are among the Afro-Asian group while the rest are in Central and South America.

In many of the countries in the Afro-Asian region the Co-operative Movement has been in existence for some considerable length of time. Yet the co-operatives in these countries have largely remained weak and ineffective. As such, they not merely require but deserve our immediate attention in order that they may be made strong and effective. Therefore, I feel that the International Co-operative Alliance would do well to focus its attention in this region. In case it ultimately decided to implement a programme in the lesser developed countries of the Afro-Asian region, I believe the assistance of the Indian Movement, in view of the deep knowledge and rich experience it has gained over half a century, would be invaluable. I am sure the Indian Movement, although itself not fully developed, would be most willing and happy to make its services available in any manner that it be called upon.

I am aware that considerable thought has been given, both inside and outside the Committees of the Alliance, to the objectives and content of the programme to be undertaken. These are the most important elements of the programme and it is good that some broad decisions have been made.

There can be no two opinions on the point that the funds available to the I.C.A. shall, in no case, be used to finance economic undertakings. Furthermore, it is good that the categories to education, training and publicity (or propaganda) have already been selected for technical, material and financial assistance.

But at the moment it would not be advisable to tie ourselves down too rigidly to any particular spheres of activity so far as the content of the programme is concerned. For, we still do not have sufficient data as to the needs of the countries in which we will operate. Furthermore, the requirements of different countries even in the Afro-Asian region vary a great deal.

For example, it may be that in a particular country the Movement is not developing because a national non-official agency for the promotion of co-operatives does not exist. In such a case the I.C.A. may need to assist in the development of

such an organisation. Again, in another case, it may be that the growth of the Movement has been retarded owing to faulty approach or misplaced emphasis on a particular aspect of co-operation. In this instance the I.C.A. might help through research and evaluation studies to guide the particular National Movement in the right direction.

Therefore, I personally feel that the types of assistance, the programmes and the methods of approach should vary in accordance with the state of development of the Movement in the particular country and, at the same time, be directed towards satisfying the ascertained needs of that Movement. The objectives of the programme, however, should be in conformity with the broad objectives of the Alliance itself.

Based on the experiences of the Indian Movement it is my opinion that assistance would be needed and appreciated on at least three points :—

1. **Strengthening National Co-operative Organisations;**
2. **Stimulating Co-operative Activity in accordance with accepted Principles and Practices;**
3. **Assisting the Co-operative Movement in Research and Evaluation.**

These three objectives should, I believe, indicate the direction in which the I.C.A. programme should be developed, and I would like to comment briefly on each point.

1. Strengthening National Co-operative Organisations

Any programme of co-operative education, training or other promotional activity can best succeed with an effective non-official Co-operative Organisation at national level which will assist and inspire member Societies. Therefore, such organisations should be strengthened or, where they do not exist, steps should be taken to see that they are developed.

Any assistance provided through the I.C.A. should, of course, **supplement** and not **supplant** assistance from the Governments of the particular countries as well as support from the Movement itself. Furthermore, these National Organisations should be supported in so far as the programme undertaken by them is in accord with the aims and objects of the I.C.A. All aid, and particularly of this kind, should guard against becoming paternalistic. The agencies should be so organised, or re-organised, with technical and financial assistance from the I.C.A. that they will become fountain-heads of co-operative thought and action. On the one hand, these Organisations should discover the needs and difficulties of the Co-operative Movement in the country concerned; and, on the other hand, they should be vehicles for transmitting expert guidance and assistance to the bottom-most rung of the co-operative structure - the member of the primary society.

They should also inspire and assist the member Societies to demonstrate convincingly the potentialities of the principles of mutual aid, equitable sharing and, above all, non-political involvement.

But in many of the lesser developed countries the National Unions are not in a position to undertake and discharge all these functions. Therefore, I consider strengthening of National Co-operative Organisation to be the most important objective.

The ultimate goal should, however, be to see that the National Organisations derive full financial support from their member Societies. The I.C.A. can then limit its assistance to advice on matters of organisation and programme for the national agency.

2. Stimulating Co-operative Activity in accordance with accepted Principles and Practices

Genuine co-operative activity, in accordance with basic principles and practices, is the fundamental need of a sound Movement in every country. This is particularly important in lesser developed countries because here the major stimulus to Co-operatives is provided by the State itself. The time has come when we should recognise the basic fact that the Governments of many of these countries, having accepted the advantages of the Co-operative Organisation to achieve economic betterment and to raise the standards of living, have begun to develop Co-operatives. But experience has shown that all of these expansion programmes, perhaps without exception, were not preceded by effective co-operative education and training programmes. We should also recognise that Government initiative and assistance to the Movement is more often a measure of expediency for the purpose of setting up people's organisations to implement the policies of the State rather than out of regard for basic co-operative principles. In such conditions, it may not always be possible for the State either to impart correct education to the large body of members on Co-operative ideology and methods, or to ensure the strict observance of co-operative principles by the organisations.

It is at just this point that the responsibility of the non-official National Co-operative Organisation comes into operation. It is the appropriate agency for organising and carrying out not merely member education but also leadership and workers' training programmes. In fact, it alone can do this job which the State either neglects or performs inadequately.

Education and training programmes must recognise, however, that mere adherence to principles is barren and ineffective without the practical ability to contribute to the well-being of the people with respect to thrift and quality, and serving the needs of the community. For such programmes a variety of approaches and materials will be required. Training courses will be necessary for both employees and workers in the Movement. Discussion groups, seminars, study tours and many other educational devices will need to be developed for members of Societies. Educational materials including literature, posters, flannelgraphs, films, and film strips, text books, and radio scripts will have to be produced. Societies will have to be helped to understand and, if necessary, to revise their bye-laws, and to alter their business methods to bring them into conformity with co-operative principles and practices.

One special caution needs to be indicated at this point. I.C.A. assistance, technical and material, will be helpful in educational and training programmes, but there are limitations to the usefulness of some materials. For example, we in India used certain co-operative films produced in foreign countries in member education programmes carried out by the All India Co-operative Union. But the results were not as successful as when we used materials produced in our own country. Therefore, it is my firm conviction that a very large quantity of materials required in support of such programmes will have to be produced locally, and not elsewhere, with the technical and financial assistance of the I.C.A.

It is also necessary to mention the importance of publicity (or propaganda) programmes. The Co-operative Movement has a responsibility to reach the general public with the message of its purpose and progress. To this end news services, publications and other media of publicity are important. They should be developed along with education and training programmes.

All that has been said about membership, education, and training programmes should be understood with full recognition of the important work which Government is doing in the field of co-operative development. Every effort should be exerted to achieve the maximum degree of co-ordination between the efforts of Government and the Co-operative Movement. If it is true that in some of the lesser developed countries Governments are making new departures in co-operative development which are in some cases threatening basic principles of the Movement, then it is all the more important for the Movement itself to undertake programmes of education and training which will extend the basic principles of co-operation and increase the democratic structure of the Movement through effective member participation.

3. Assisting the Co-operative Movement in Research and Evaluation

There are several lesser developed countries in which considerable co-operative activity, sometimes with striking success, is taking place. To my knowledge, not all of these enterprises are co-operative in the sense that we in the I.C.A. understand the word "co-operative." In many cases their success is due largely to Government patronage and assistance. In certain instances it is due to the highly restrictive nature of membership. Several illustrations will, perhaps, help to illustrate this point.

During the Second World War essential commodities were in short supply. At that time, in order to ensure fair distribution of available supplies, the Government of India rightly encouraged the organisation of Consumers' Co-operatives. During their heyday these stores enjoyed monopolistic distribution. I must admit that they did yeoman service to the country and helped her tide over the difficult times with minimum inconvenience to the public. But with the withdrawal of controls and State assistance, and the resurgence of competition and private trade, they fell on evil days. Many of the Consumers' Co-operatives disappeared. Such of those which still carry on have, as yet, not been able to adjust to normal trade conditions. I believe that this experience would not have turned out as it did had some evaluation programmes been undertaken to study how far the structure and business methods adopted by these Co-operatives were capable of ensuring their success under normal conditions.

The Report of the All India Rural Credit Survey is well known in India and abroad. One of its revelations was the existence of some Co-operative Societies whose membership was confined to a few individuals, if not families. Such a society is, in effect, nothing more than a private enterprise although branded co-operative. It is co-operative simply because it fulfilled minimum requirements of the law of the land relating to membership.

Another example of the need for research and evaluation is in the area of co-operative farming. In India to-day there is much concern about co-operative farming as a means of augmenting agricultural production. Possibly this is a

problem of most of the other lesser developed countries. The truth of the matter is that we do not as yet have sufficient data to state with any measure of confidence whether, by adoption of co-operative farming, the objectives aimed at could be achieved. Similarly, the practicability of the successful operation of a farming society in accordance with the principles and practices of co-operation needs to be investigated thoroughly. This is an aspect that requires considerable research and study by the National Co-operative Organisations.

To discover and dramatise such problems and to find solutions, the Co-operative Movements of the lesser developed countries desperately need effective programmes of research and evaluation. Once such problems have been isolated and understood, then it will be possible for the national organisations to take effective action.

The I.C.A. can help by providing technical and material assistance, as well as the resources, to enable such research programmes to get started or to expand them where they already exist. This would indeed be one of the most effective long term contributions the I.C.A. could make to the special problems of Co-operatives in lesser developed countries of the world.

Conclusion.

In conclusion, it is my feeling that these should be the major objectives which the I.C.A. might decide to implement in the lesser developed countries. Other objectives may be selected as the programmes progress. The programmes would, of course, have to be worked out in greater detail with short term projects providing guidance for long term programmes as recommended by the 19th Congress. I hope that these three objectives will be kept clearly in mind.

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A few comments about proposed activities of the I.C.A. which are closely related to this programme. It would be advantageous to the Movements of the countries in this region if the leaders could come together periodically under the auspices of the I.C.A. to discuss problems of mutual interest and to exchange notes. I am aware of the recommendation made by Dr. George Kéler with respect to holding a Regional Conference of Co-operatives of South East Asian countries.

I am sure it is a step in the right direction. I hope that it will be possible to hold such Conferences periodically in the future. I am also happy at the recommendation for setting up a Regional Office of the I.C.A. somewhere in South East Asia. I believe that the location of such an office should be decided by the countries concerned.

Both of these recommendations will serve to promote friendly relations and to increase mutual assistance among the Co-operative Institutions in this area of the world.

It is, of course, desirable for the I.C.A. to utilise to the maximum extent possible the resources of such International Organisations as the ILO, FAO, and UNESCO. Its programme should be co-ordinated with the activities of these agencies wherever possible.

Taken together, it seems to me that all of these proposals constitute a significant contribution by the Co-operative Movement to the peace and security of the world. This is the goal towards which fellow co-operators the world around are dedicated. We are happy indeed to join hands with others in the I.C.A. to this end.

✓ Mr. B. J. Patel, in presenting his paper, said: I speak for Indian Co-operators, coming from an economically under-developed country. You may like to know the reaction and the experience of such a worker in the field. My paper is already before you in print and to save time I do not propose to read it, but I should like to put before you the background which is responsible for the production of the paper, because this will perhaps make the understanding of the paper easier.

Before I do so, I should like to point out that the International Co-operative Alliance is entering on a new type of activity. Not only is it going to be more active in the new regions of the world, but it is undertaking a noble experiment, something new so far as it is concerned, and it is going to be so dynamic that I am sure its action will not only help the economically under-developed countries of the world but revolutionise the Alliance itself. You must pardon me if I say something which may sound like criticism, but so far I feel that this august organisation has been accustomed to meet in conferences and congresses and to discuss problems and pass momentous resolutions, and then disperse. Now you are going to enter into a subject which is going to be of day-to-day interest, and the I.C.A. is required to be more alert and active to cope with the work which we are going to ask it to undertake. In my opinion, therefore, this work itself will change the entire character of our organisation. It will become not only more representative of co-operative action in the world but more active and dynamic in the co-operative sector of the world.

At this juncture it will be as well to know what we are going to do, and there is one more important factor which I should like to bring to your notice. In the countries of the world which we have classified as economically under-developed, we are for the first time going to introduce and promote Co-operative Movements in a more systematic, scientific and popular way. Up till now the Governments of these countries have done something, but in a governmental way. It is unnecessary to emphasise that our Movement is a popular Movement and the work is best done by a popular agency. We have a popular agency in our International Co-operative Alliance, and this is now going to enter the field. I am sure that the result will be more effective and satisfactory in developing and promoting Co-operative Movements in these regions of the world.

In preparing the paper I should like to mention that I have drawn greatly on my experience of the Indian Co-operative Movement, so that it is likely to be coloured by Indian experience. A question which I should like to bring before the Congress is why we are undertaking this onerous responsibility. Our resources, we know, are very meagre. If it is because of the impact of the economically under-developed countries of the world upon us, if we are moved because of this, then I am quite sure – and I know that you will agree with me – that our effort will not be so successful, because it will be based on expediency, on doing something because we come in contact with somebody. If, on the other hand, we are moved by lofty idealism and actuated by our principles, and in particular the principles

of mutual aid and joint action, if we are moved by our philosophy as Co-operators, then I am sure that our efforts, though our resources may be meagre, are bound to succeed. I feel sure that we are moved not by expediency, not by the contacts which we make, but by our co-operative principles.

This being so, I should like to put before you what should be the objective of this Movement of ours. This is going to be a new activity for the I.C.A., so that we must be clear in our minds what are the aims and objectives behind this action. What should be our policy? What should be our method? It is better to understand all these things and then make a move.

So far as I understand it, I think that we are moved by aims and objectives which are the aims and objectives of our Alliance. It is not necessary for me to repeat them. Our objectives should be in complete accord with the objectives laid down by our Alliance. Our Movement should be inspired by and in full agreement with the aims and objectives of the Alliance. We must propagate co-operative principles and methods throughout the area and seek to promote Co-operative Movements in the area and to enhance interest in the Co-operative Movement in the area. We must sponsor those co-operative organisations which are most suited to meet the urgent needs of the population in the area. We shall also have to find out what are the economic needs and what are the urgent needs which require to be met and which can be best satisfied in a co-operative way. We can then help the younger countries to organise their co-operative institutions so that these economic needs can be met.

We should also bear in mind the need to make our Alliance more universal and representative by creating a national Co-operative Movement and getting it linked with the I.C.A. Our organisation should also seek to cover all parts of the world. If these are our objectives, we should see to it that co-operative organisations are formed in different regions of the world and that they are affiliated to and work in close consonance with our Alliance. It will also be the duty of the Alliance to see that these growing young movements develop in the proper way and are truly co-operative. We should try to create contacts and bonds of friendship between these new movements which will be organised, and the old movements which are already functioning in the other parts of the world. Lastly, not as an aim to be fulfilled but as an achievement which will come of its own accord, there will be the establishment of peace in these parts of the world. Those should be our objectives.

I now come to the question of policy. What should be the policy of the Alliance in promoting the development of the Co-operative Movement in these regions? I have mentioned previously that this is an organisation of Co-operators; it is an organisation of those who are versed in co-operative philosophy. Our policy in helping these countries to help themselves should be a co-operative policy. Whatever method we use to promote these co-operative organisations, it should be done in a co-operative, democratic and popular way. We cannot accept any type of pressure or any type of governmental authority. The Alliance should sponsor and promote Co-operative Movements according to the principles of Co-operation without allowing expediency to come in in any way. If we are, because of our principles, a little slow, in my opinion it is better to be slow but to move in accordance with our principles, never resorting to expediency in order to save time, because ultimately this will defeat our objective.

At the same time, with experience of the Indian Sub-Continent, I do not rule out governmental assistance. Government control and governmental help are two quite different things. In these regions the Governments may wish to help develop co-operative activity, and it will be worth while to accept such assistance as they offer to the Co-operative Movement so long as it does not imply control. I think that there should be a sort of co-ordination between the popular efforts and governmental efforts in development, but there should be no control on the part of the Government over the Movement, because, if there is any Government control, the Movement is bound to fail.

There is one other factor to be borne in mind in any programme of co-ordination and Government assistance. Any such programme should embody provisions which will enable the Government assistance gradually to be replaced, when a stage is reached where that becomes possible. Any help must be part of a plan which will ultimately replace outside assistance, and enable co-operatives to rely upon their own resources.

So far as method is concerned, I have dealt with it at great length in my paper. I will simply say here that we should try to organise and strengthen the Co-operative Movement in these regions in the first place by organising national co-operative organisations in the form of Co-operative Unions. In India we are trying to build up such an organisation, an All-India Co-operative Union. This popular Union would be increasingly in charge of the Movement. The efforts of such national organisations should be helped. In regions where we propose to take steps to promote the Co-operative Movement, therefore, the first thing to do is to organise such a body, or, if it exists already, to strengthen it. We must strive to strengthen and promote the Co-operative Movement not directly but through the national organisations, so that when they are mature we can gradually withdraw and they can take charge of the development of co-operative activities in the region.

Apart from the Union, if the Movement is to be broad-based, if it is to be supported by the people, if it is to be popular, then we should make the people of the region co-operative minded. For that purpose we shall have to strengthen the Union in undertaking co-operative educational activities. So far as India is concerned, there is a very extensive programme for co-operative education. The All-India Co-operative Union has come forward with a programme of what it is intended to do in the field of co-operative education. It would not be proper for me to go into the details now; I wish simply to mention that educational activity should be our prime concern. Our aims should be to propagate co-operative principles, to make people co-operatively minded, to get the younger generation to take an interest in our co-operative practice and in co-operative principles.

So far as finance is concerned, the problem is a difficult one, but here also I would insist on our adhering to the principles of self-help. In the beginning some assistance from outside may be justified, but we should organise our activities everywhere in such a way that gradually these organisations, these Unions, may obtain their own resources to cope with their work. In the beginning we may have some assistance from the Government of the country, but the assistance so secured should be replaced in the course of time.

I should now like to refer to a very important point and a very delicate matter which I wish those of you who are European Co-operators to try to appreciate and understand. If you come to us with a patronising air, if you come to boss us, as it

were, then with the greatest efforts on your part and with the greatest material resources which you may bring with you, your efforts will fail. Come in the spirit of brotherhood, in the spirit of fellowship, and then your efforts, though they may not be backed by mighty financial resources, will succeed, because you will evoke a response from the hearts of the people to whom you appeal. In this respect, I should like to bring to your notice certain salient points about the organising of our efforts in the various regions concerned.

When we start work, first and foremost we ought to obtain the goodwill and approval of the Government of the country in which we want to work. Hostility and indifference must be absent. In the same way there will be popular forces at work in the country concerned, political forces, and we must try to get their goodwill for our efforts.

While undertaking these activities, we may also send experts to help. We shall want more and more experts. In addition, we want the people of these countries to be utilised more and more for this type of work. If they are not up to the mark at present, it will be better to recruit some of them to receive training in the institutions which exist in different parts of Europe and America, and then let them go back to their own country to help in these activities. They will inspire more confidence than foreign experts.

These are a few points which I wished to bring to the attention of the Congress. I now wish to refer to one or two points in the paper on which, because of their importance, I wish to touch. I have referred already to the fact that you must try to organise national Co-operative Unions and make them function. Secondly, we should try to help the co-operative organisations which are coming into being to work in a co-operative way, according to co-operative principles. For that purpose we shall have to develop co-operative education facilities on a very large scale. In particular, we shall have to have some sort of research programme, some sort of evaluation programme, to find out what are the economic needs of the region which can best be dealt with in a co-operative way. We have then to help such co-operative organisations to come into existence to meet the economic needs of the region. It is action of that sort which will be of most help to these co-operative movements.

I cannot be expected to go into this subject in detail, but there is one thing which I should like to mention. Often when co-operative societies are mentioned, for example in India, it is with the idea that they shall be for agricultural co-operation, agricultural credit or marketing or processing societies. In India, however, we are discovering that the people have more urgent needs even than for agricultural co-operation; they need medical aid. Medical aid has become so costly as to become practically prohibitive. When a member of our family who is near and dear to us is ill, and there is no means of providing medical aid, it adds enormously to our anxiety. If there is a co-operative organisation which provides medical aid, and gives this aid in a co-operative way, that will satisfy the immediate needs and make people more co-operative-minded. It will do more to create interest in a co-operative philosophy than our efforts to organise agricultural credit or agricultural marketing organisations. It will be the duty, therefore, of the Alliance, of the Technical Assistance Sub-Committee or whatever body may be in charge of this

matter, to find out what are the pressing and urgent needs which can best be provided for in a co-operative way and then try to promote co-operative organisations so that those needs may be met in a co-operative way. That, as I say, will make people more co-operative minded and create the right atmosphere and a faith in our philosophy which will be much more helpful for the eventual development of the Co-operative Movement in the region.

The President: I should like to thank Mr. Patel for what he has said. We have already heard his excellent advice in the Technical Assistance Sub-Committee. I now open the discussion. We already have the names of 16 speakers. I feel that this is a good thing, because it is evidence of the interest we show in this question. After they have spoken, Dr. Bonow will move the resolution.

Mr. L. Hietanen, Finland: I believe that Co-operators all over the world will have seen with satisfaction that the I.C.A. has now set to work intensively to promote Co-operation in the under-developed countries. An enormously wide field of activity is thus being opened up to the Alliance. It is also with great satisfaction that we notice that in the United Nations the promotion of Co-operation in the under-developed countries is considered to be of great importance. A proof of this is the fact that the head of the United Nations Technical Assistance Administration has prepared for this Congress a very interesting paper in which, on the basis of his special experience, he gives full credit to the work done by the I.C.A.

While giving my support to the resolution to be presented to the Congress, there are certain facts to which I should like to call attention. In the so-called under-developed countries, the Governments have to a considerable degree supported the Co-operative Movement, especially in its early stages. This is understandable in the circumstances prevailing in the countries concerned. There is, however, one weak point in this supporting activity of the State, in that when a State gives its support it also tends to control the co-operative enterprises concerned. It is even possible that the co-operative enterprise will be State administered, so that co-operative principles no longer guide the activity. Mr. Patel says in his interesting paper that we should recognise that Government aid to the Movement is more often a measure of expediency, to set up people's organisations to implement the principles of the State rather than arising out of regard for major co-operative principles. In such conditions it may not always be possible for the State to impart correct education to the large body of members in co-operative ideology and methods or to ensure the strict observance of co-operative principles by the organisation concerned. It is very important, therefore, that the tutelage of the State should not be continued longer than necessary. Co-operative activity is something in which each member must understand his responsibility to the common enterprise. There can be such responsibility, however, only on condition that there is liberty. The members of a co-operative society, must be able freely to attend to the affairs of that society, or their activity no longer belongs to the sphere of the Co-operative Movement. At the same time, as Co-operation means people helping each other, it also helps people to help themselves. Lasting results will be achieved in co-operative activity only when the members are interested in the activity of the co-operative societies and the societies are allowed to act freely and independently.

We have to bear in mind that Co-operation has won its victories in free competition with other enterprises. All the so-called lesser developed countries produce commodities which our Co-operative Movements in the developed countries need and import. They do not, however, get them from co-operative sources. In order that they may do so, there must be in the producing countries a well-organised network of local co-operative societies for the collection of products, and a similar organisation to market them. I am sure that the Co-operative Wholesale Societies of other countries will be very willing to buy these products direct from co-operative organisations in the producing countries without the intervention of middlemen, and this commercial intercourse will be profitable and advantageous to both parties.

Let me give one example of the organisation of marketing in lesser developed countries. My organisation, the Finnish Co-operative Wholesale Society, was going to purchase spices from India. You will appreciate that the amount bought by our society cannot be large, because our country is comparatively small, but this purchase was to consist of 20 special items. You can understand that there was no concentration of the marketing of that kind of merchandise.

All that I have now said about the autonomy of the Co-operative Movement has been expressed clearly in the three papers of very high merit in which this question has been presented to the Congress, and is clearly mentioned in the third paragraph of the resolution which is to come before us. In my opinion, however, the matter is of such importance that I have taken the liberty of speaking in order to emphasise this.

Mr. V. Selvanayagam, Malaya : In the three excellent papers which have been submitted, the various aspects of this important question have been dealt with very fully, but at the outset I should like, with the permission of the Congress, to suggest, from a psychological and progressive point of view, that we should refer to the "economically developing countries" rather than to the "economically under-developed countries." I have myself had the privilege, in preparing myself for the vital subject with which we are dealing to-day, which is the climax of the object of the participation of the junior members of this august body, of making contact with Co-operators in the various countries through which I have travelled in the past month or more, and I have also attended the Auxiliary Conferences and have fully appreciated the co-operative spirit which is displayed by everyone, irrespective of geographical location. We therefore welcome the magnanimity with which this organisation has maintained its lofty ideals and sent out a missionary in the person of Dr. Kéler, accompanied by his wife. He not only did the job which he was asked to do but conveyed to us this fellow feeling and co-operative spirit which exists between you and the people in my part of the world, and particularly in my country. I am very grateful to Dr. Kéler and his wife who have correctly transmitted to us your feelings. He also, on his return, has transmitted to you, through his valuable report, the actual conditions in these countries, after the factual survey, and has indicated the possible preliminary steps which the Alliance could take.

I should like to refer to the last paragraph of Mr. Owen's paper. While I fully agree that education and propaganda are a field for the I.C.A., and that the remaining problems must be left to the United Nations so that they can be

properly planned in relation to the overall development of the country, this in my opinion does not give a completely correct picture. The perspective facing us may be better understood if the I.C.A. dealt with propaganda and education and also joined with the United Nations, because the United Nations represents the Governments and the I.C.A. represents the unofficial side, and therefore a joint effort in solving the problems would be most welcome.

I cannot do greater justice than Mr. Cheesman has done to the type of Co-operation and the methods in countries such as Malaya. I can only say with gratitude that a benevolent Government, imbued with the policy of guidance adopted by the British Government in the matter of British possessions and territories, had been preparing for the grant of independence to these countries, and in so doing felt that the best method to adopt was this democratic, free and voluntary character of an organisation, and that organisation is co-operative organisation. I can freely say in this hall that in three weeks time, on 31st August, we in Malaya will be gaining our independence. That independence is being gained completely by the practical application of the spirit of Co-operation and the ideals of Co-operation.

Although the main functions of co-operative education devolved on an official of the Government, I can assure you that the creation of the organisation was always done by the members and for the members, as was the running of the organisation. An example of this is the fact that I myself am taking part in this Congress. My connection with the Co-operative Movement—and I do not hesitate to say this publicly—is entirely due to the methods adopted in running co-operative organisations in my country, for which I am again thankful to our benevolent Government, and to the sacrifices of the officers who did the work; because those officers, happily for our country, have not just worked for the money they received, but were wedded to the co-operative way of life and did not grudge helping us both in official hours and outside them.

I have two salient points to mention with regard to the problems which must be solved. In the past, the method has been to transplant methods applied elsewhere, but only recently has it been found that such transplanting will not do an adequate amount of good, but that the methods must be adapted to meet local needs and local environment. I earnestly suggest, therefore, the continuation of multiple societies on the agricultural side, and the making of provision for assistance in the form of education and mutual exchange, so that we can benefit greatly by whatever you can give. Relationship between labour and management should come within the field of investigation by this organisation, so that there can be an understanding of the joint effort required of labour and management in our joint co-operative effort.

Mr. M. D. Lincoln, U.S.A. : The number of requests to speak on this subject is clearly indicative of the importance which the various delegations attach to it. While I am fully aware of all the other subjects which we are committed to discuss, I believe that at this period of human history the subject now before us is one of the most important that is coming before the Congress and that concerns the various groups connected with the Co-operative Movement.

First, I think it should be pointed out that it is only because we have the International Co-operative Alliance—of which some of you saw the need many years before we did in the United States—that we now have a piece of machinery

to bring us together and give us the opportunity to discuss this question and to plan our action. Secondly, I think that we have both in the Technical Assistance Sub-Committee and in some of the other activities of the I.C.A. the basis for the additional machinery which I personally believe will be necessary if we are to get the fullest development of this phase of helping what are termed the under-developed countries. I think that Mr. Owen used some such term as "under-expanded," and I wish that we could find a different term, because there are parts of the United States of America which co-operatively are under-developed. We ought to be able to find a better term than "under-developed" because in some of these areas there is a great deal more development in some respects than is found in certain of the other countries. Perhaps the General Secretary can work that out.

We have a tremendous necessity to explain to our Governments all that we need in this respect. It was Mr. Cheesman whose remarks made me think of this. I recall one of the early meetings of the I.C.A. which we attended, when the United States Government assigned an observer. He cornered some of us just before the session and said, "Will you tell me what a co-operative is?" This was a man designated by the United States Government to attend the Congress of the I.C.A.!

My first experience came as a member of a committee dealing with food and agriculture which met in our country in 1943, and I confess to you that I did not see the significance of the world development of the Co-operative Movement until about that time. Mr. Johansson, in the Central Committee, has pointed out that unless we have the machinery to do some of these things we shall not provide the social and economic planning which will give the kind of development that will let the world finally come to a peaceful solution of many of its problems. Mr. Brot has said something which I have thought of many times—that we cannot afford to make too many mistakes, though we shall always make some—in this new development; because these people, wherever they are and whatever their previous political situation, unless they, with our help or by themselves, set up an economic system which the people control, are more apt to be exploited economically from now on, just as they may have been exploited politically and economically previously.

I think that we need, in addition to all the splendid things which our Governments are doing, a very definite increase in activity of a "peoples to peoples" approach. As has been pointed out, it does take time. Mr. Cowden raised the question of oil as long ago as 1947, or even earlier, but now something is getting under way. Some of us were concerned about a co-operative bank in Copenhagen six years ago. It is now being started, and one of the reasons why you have heard more of it is because of the great need that is coming for doing something worth while. If we cannot do something worth while it will be better not to go further with it, but we are sure that it can be done. It must not be forgotten, as was pointed out in the discussion yesterday, that health and insurance are two of the immediate needs in these areas, and we must not overlook the importance of the attempt to set up machinery, because with insurance and credit societies it is possible to mobilise the capital of the people, which can then be invested in some of the other developments which are going to require money.

Miss Polley challenged me last night. She has a great memory and in our meeting yesterday she said, "When are you going to get all this money coming into the I.C.A.?" I have a suggestion to make, and Mr. Cheesman referred to

this. I said that if we could get women to stop using cosmetics and put the money into co-operatives we should get a great deal of money, but the men will have to promise to love them just as much as if they did use cosmetics! Mr. Cheesman says that smokers should cut down their cigarettes and people who drink should, each time they are tempted to do so, say, "No, I am going to put the money into the Co-operative Movement."

We should like, however, to make one definite suggestion. At the United Nations we already have an observer, Mr. Woodcock; I think that the Co-operators in the United States would undertake to provide whatever secretariat you think it necessary to have at the United Nations and at Washington. We have to put a great deal of pressure on our Government to recognise co-operatives, and we would undertake to have the kind of secretariat in connection with the United Nations which you could use, in order that we could all bring pressure to bear to secure the recognition of co-operative development in all the governmental activity which goes on.

The President: If I let Mr. Lincoln have a little more time than he was entitled to, it was because he was dealing with the question of finance.

Mr. J. Efter, Israel: I appreciate very much the fact that the I.C.A. has been paying during recent years much more attention to the problems of the lesser developed countries in Asia and Africa. This interest has been shown by the International Co-operative Movement by searching for ways in which to promote Co-operation in those parts of the world. The discussion on this problem which we had at the Paris Congress in 1954 in connection with the interesting paper submitted by Mr. Watkins, and the discussion which has taken place since at meetings of the Executive and of the Central Committee, have shown the interest in this question on the part of the different organs of the Alliance. At this Congress we are trying to concentrate our thoughts round the remarkable papers submitted by Mr. Owen, Mr. Cheesman and Mr. Patel on this problem.

My general remarks on the recommendations contained in these papers are that the promotional work to be done in these countries ought to be variegated, because of the fact that the development of Co-operation in these countries is not at an equal level or standard and that the action to be taken in these countries has to accord with the special needs of the particular country concerned. We have to study very carefully the local conditions and the mentality of the people to whom we are going to extend brotherly assistance.

From conversations I have had with Co-operators in Burma, India, Pakistan, Ghana and other countries who have come to Israel to become acquainted with the co-operative activities in our country, and perhaps to use them as examples for their countries, I have learnt that they are most interested now in agricultural Co-operation. I feel that they are in the first place interested in the establishment of agricultural supply and marketing co-operatives, wholesale and retail, and also in agricultural credit societies. All endeavours in the field of economics must, of course, be accompanied by a great deal of educational work. There will always be need for consumers' and housing societies, but, so long as agriculture remains the main basis of their national economy, in the forefront will be the need for co-operatives in agriculture throughout the country.

The emphasis in all three of the papers before us is that for the promotion of Co-operation in the lesser developed countries it is necessary to obtain the collaboration of the Governments of those countries as an addition to the effort of the local pioneer Co-operators, and the societies obtained from the Specialised Agencies of the United Nations. I think that the World Co-operative Movement has reached such a high stage of development and of national and international strength that it is no longer afraid that material aid from national Governments and from United Nations organisations will be able to interfere, in the free democratic countries, with the independence of the Co-operative Movement in those countries. Our duty is to teach Co-operators in the lesser developed countries to be on the watch to secure the full independence of co-operative organisations and a free activity.

I fully agree with Mr. Patel that the Co-operative Movement in the lesser developed countries needs the active advice and the encouragement of the Government of the country. However, as I said before, our universal policy must be to guide co-operative societies to real independence. The Governments of these countries must be interested in the Co-operative Movement and persuaded to give their assistance in some way which will not minimise the free organisation of the Co-operators. In Israel there is Government assistance to our Co-operative Movement to introduce co-operative forms of living in agriculture and among consumers, but it does not affect the freedom of the Co-operative Movement.

At the moment we are concentrating our attention on the development of Co-operation in South-East Asia, but I hope that this work will in due course spread to other regions of Asia and to Africa and to under-developed countries elsewhere. We of the Israeli delegation wish to thank the authors for their interesting papers and shall vote for the acceptance of the resolution.

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Mr. Riazuddin Ahmed, Pakistan: On behalf of the Pakistan delegation I wish first of all to thank the President of the I.C.A. for taking such a keen interest in the development of the Co-operative Movement in economically under-developed countries and for reserving a full day for the discussion of the subject. We also wish to thank the Alliance for deputing Dr. Kéler to study the Movements in the under-developed countries and to submit a report to the Alliance. Dr. Kéler's report is a document of far-reaching importance and the proposals which it contains are so exhaustive and complete that it is hardly possible to add anything to them. I, therefore, request you to place on record our deep gratitude to the I.C.A. and our deep appreciation of the brilliant work done by Dr. Kéler.

In order to provide technical assistance to the Co-operative Movements in the economically under-developed countries, it is necessary to appreciate the problems and difficulties with which the Movement is faced in these countries. The first great problem is the ignorance and illiteracy of the people. Hardly 10 per cent of the people are literate. In my country, 87 per cent of the people cannot read or write. They are not conscious of their needs; they are not aware of their problems. It, therefore, becomes necessary that the Government should make them conscious of their needs and problems, but Government interference is a problem in itself. While the Government may encourage, support and assist the Movement, it may sometimes interfere in the work of that Movement, and exercise,

or try to exercise, an unhealthy control over it. Much depends on the personality of the chief officer, who is called the Registrar of Co-operative Societies, as mentioned by Mr. Cheesman.

If the Registrar is a sympathetic and able officer he can guide the Movement well; if he is not of the right type, he may do harm to the Movement. Even if the Registrar is an able and sympathetic man, his subordinates may not always be so good, so that Government assistance, advice and control may be no more than a necessary evil in the under-developed countries.

The next problem is the poverty of the people. The poverty of the people is such that it is difficult to do substantial work, at least in the beginning. Both in India and Pakistan the Government has come forward to make contributions to the share capital, and that, in our opinion, is a good and useful step.

When a society is set up the problem of management arises. It is difficult to find suitable people to act as secretaries and managers of co-operative societies. The next problem is to control the investments and expenditure of the members themselves. Often a member will borrow money for investment in an agricultural project but spends it on the marriage of his daughter. The loyalty, integrity and competence of the directors is a problem in itself.

Another problem is the political influence which is often exercised on co-operative societies. In the countries which have recently obtained their independence, almost every man is keenly interested in politics and political developments, and in any event belongs to a political party. People who are enthusiastic supporters of their respective political parties often force their political theories into the functioning of co-operative societies. If a man belongs to a certain party he will vote only for directors who belong to that party, without regard to the interest of the co-operative society.

Last but not least there is the problem of the shortage of goods and commodities. We should like to build houses for the people – thousands of houses – but we do not possess the building materials and the iron and steel, and there is a shortage of cement and a shortage of sanitary fittings. If these problems are to be solved it will have to be done in a very big way, and one of the solutions is to establish training institutions and colleges in these countries. Another solution can be the encouragement of wholesale trade. We welcome very much the establishment of the Co-operative Wholesale Committee. This Committee can function as a clearing house for ideas and information and bring into contact the various wholesale societies in the different countries.

Last of all, I would suggest the establishment of a fund particularly for the assistance of these countries. This fund may be called the Development Fund, as it is known now, or be a separate technical assistance fund. The contributions to the fund should be voluntary. My country will do its best to make contributions to this fund, so that we may have a feeling that we are helping ourselves.

Mr. A. Saenger, Switzerland: I returned a few months ago from a short mission to Iran for the I.L.O. within the enlarged programme of technical assistance, and in a few weeks' time I shall go on another co-operative mission at the request of the Government of a country in North Africa. This will serve to show the interest which I have in the three papers which have been presented this morning. Allow me, therefore, to put some considerations before you.

The programme of help which the Alliance is instituting involves a very hard and complicated task. It is as difficult to give aid as to accept it. We would suggest that those who are engaged in the work should give the whole of their attention to the difficulty which there may be of adapting and transferring new methods into countries of this kind. This reservation must be made, and our eyes must be opened to the conditions which exist in these countries in order to find out how our action can be useful.

We have studied what has been said by Mr. Patel and the suggestions which he makes, and the third, that of assisting the Co-operative Movement in research and evaluation, should greatly facilitate some of the projects of the Alliance, but the recommendations with regard to stimulating co-operative activity in accordance with accepted principles and practices makes us think that the aid of the Alliance will only be efficient when these projects are all co-ordinated with those of the United Nations and of the Specialist Agencies.

We think that the programme of technical assistance of the Alliance should conform to the idea put forward by Mr. Watkins in the statement which he made at the Paris Congress, and that the different preliminary actions, such as the evaluation of needs and the need for experts, the education and training of officers and so on, on the requests of Governments, by missions which are limited in time, are a good means of developing independent co-operative action. We think that a regular feature should be made of exchanges between old Co-operative Movements and the new and young Movements. If experts would spend a year or two in these countries it should be sufficient to give good results in the task of setting up co-operatives in the countries which we want to help.

Each of the co-operatives will have its own day-to-day problems to solve. The time has come for us to show that we want to give all our aid towards the solution of the serious problems which affect millions of people whose income is sometimes not more than 30 to 40 dollars a year. Allow me to make a suggestion. The Paris resolution engaged our national organisations in this technical assistance programme which has only just begun. We have been discussing this programme, but now it should be the subject of definite action. We have to find Francs, Kroner, Roubles, Dollars and £s for this work, and also men. We propose that each national organisation affiliated to the Alliance should be requested to appoint one of its officers who will be entrusted with the examination of problems of technical assistance. These experts will be able to give very useful help to the Technical Assistance Sub-Committee, especially in the field of the examination of the technical aspects of the programme of assistance, research and the training of experts from the United Nations and the Specialist Agencies, the collection of information, the preparation of study programmes, decisions on appropriate measures for work in connection with assistance and so on. I am sure that in the consumer societies of Europe there are people who can give useful assistance. There are, after all, many millions of us. If we had 10 Swiss centimes as a contribution, from 21,000,000 people – a quarter of an American cent from each – it would represent 500,000 dollars to swell this fund. As a matter of comparison the programme of assistance this year is only for 200,000 dollars. With the funds which I have mentioned, we could have a good system with regional organisations. We shall be very grateful if these suggestions can be the subject of consideration by the Technical Assistance Committee of the Alliance.

The President: I propose that after the next speaker the list of speakers should be closed. We shall have had 20 speakers on this subject, and we are very glad of that, but we have 15 still to hear, plus Dr. Bonow. Do you agree to close the list of speakers ?

The Congress agreed.

Mr. U. Itauma, Nigeria : This is an important issue, which needs serious thought and consideration before we take a decision on our programme for the promotion of Co-operation in the lesser developed countries. Before proceeding further, I wish to say a word about the implications of the term " lesser developed countries." The lesser developed countries are mainly lacking in economic development; in other fields of development that term may be unsuitable.

I wish to thank the three authors for their interesting papers. Mr. Patel knows the technical assistance which the I.C.A. and the United Nations have been giving and will be giving to the under-developed countries. Mr. David Owen has explained what is being done by the United Nations Technical Assistance Administration, which seems to me astonishing. The main subject with which I wish to deal, however, is the development of Co-operation in my part of the world.

Co-operation in Eastern Nigeria developed about 20 years ago, after the research work of Mr. Strickland, as applied by Mr. Cheesman, my former Registrar. Some 85 per cent of our societies are credit societies, 4 per cent are processing, 1 per cent consumers, 2 per cent supply, crafts and so on, and 8 per cent other types. There is a great deal more that can be done to develop Co-operation, and this the Alliance can do. Mr. Cheesman has suggested what can be done in the field of Co-operation in the lesser developed countries, and especially in West Africa. The initiative, as he has explained, has been taken and is being taken by the co-operatives in this area, with the will to become self-supporting societies at no distant date. Our gratitude is due to the I.C.A. for the gift of a printing press to Eastern Nigeria to help in the educational work which is being carried on there.

We are making steady progress towards the achievement of our aims, and I should like to mention a few points. First, our Government recognised our co-operatives as economic entities working for the development of our country. Secondly, the Department of Co-operation acts in an advisory capacity. Thirdly, there is the possibility of training co-operative society staffs so that they may manage our movement more effectively, and so that we may be in a better position to handle our business steadily and progressively. We need technical assistance to help us in the education of our members and staff.

I have observed that the S.E. Asian Conference which is to be held in January, 1958, is the result of Dr. Kéler's mission to Asian countries. Acting on his recommendations, the I.C.A. has decided on the lines to be followed in promoting co-operative development in this area. On behalf of the Co-operative Union of Eastern Nigeria I should like to thank the I.C.A. for its action, but I would point out that such personal contact by the I.C.A. by a mission to the under-developed countries is of great help in determining what sort of technical assistance the I.C.A. should give to a particular area. Without hesitation I would suggest that at no distant date such a mission should be sent to West Africa, including Eastern Nigeria. In the penultimate paragraph of his paper, Mr. David Owen says :

“ In the execution of a project in a country programme, the Alliance can be of the greatest help to the United Nations in giving advice on the sort of expert needed, sometimes even proposing candidates, in acting as consultant, and, on occasion, taking part in study groups or seminars contemplated under the programme.”

This is something for the I.C.A. to bear in mind when giving advice to the United Nations.

I support the resolution which is to be proposed, and I would add that this Congress should urge the strong national co-operative organisations to grant scholarships to the lesser developed countries at this initial stage for the training of their staffs or to supply technical experts with a view to the movements in the lesser developed countries becoming self-supporting in future.

Mr. David Owen says in his second paragraph, “ The world is not yet a co-operative paradise, nor do we expect it in our lifetime,” but I should like to say that our united effort to develop the lesser developed countries economically may bring the time nearer.

Mr. U. Dumitru, Rumania : I should like to say a few words about co-operative activities in the lesser developed countries. This is one of the fundamental questions to be studied by the I.C.A. In its sphere the I.C.A. has undertaken a certain amount of activity which has contributed to the development of Co-operative Movements in the lesser developed countries; nevertheless much has still to be done in order that the assistance supplied to these countries may bear fruit and be of real value to them.

Up to now the I.C.A. has paid particular attention to technical and educational activities. Mr. Cheesman refers to a number of interesting examples of help in developing Co-operative Movements in South Asian and African countries. This assistance is, of course, extremely valuable to the Co-operative Movements of the countries concerned; nevertheless, however important and valuable this assistance may be, it is still not enough compared with the basic requirements of the under-developed countries.

These countries are mainly in need of economic assistance, and without economic assistance they will find it very difficult to develop. The development of trade on the basis of co-operation and the respect of mutual interests are elements which should be taken into account in providing economic assistance to the Co-operative Movements in these countries. The resolution appeals to established co-operative organisations to create business connections with similar organisations in the lesser developed countries, and the establishment of such connections will indeed be valuable in fighting the influence of the monopoly groups and developing the activities of the movement.

The I.C.A. must also provide assistance to the Co-operative Movements of these countries, combining technical and cultural assistance with economic assistance, because all three aspects are equally important. The I.C.A. must consult the Co-operative Movements of these countries and must know exactly what assistance those movements need, so as to ensure maximum efficiency and know exactly what the problems are that these movements have to face. Inasmuch as the development of the Co-operative Movements of the under-developed countries is particularly important to the Co-operative Movement as a whole, the Rumanian Co-operative Movement is glad to support the resolution.

Mr. E. N. Burke, Jamaica : I join with my colleagues in expressing appreciation of the three papers which have been presented, and at the same time I should like to bring to the attention of the Congress one aspect of partnership which seems to have been omitted and not studied in detail. Reference has been made to the partnership between Government (including international Governmental organisations) and people, but I would bring to your notice another partner, and that partner is business.

I stand here as a delegate from the people's movement of Jamaica, but also as a Government servant, and I should like to tell you briefly the story of the organisation which I represent. The Jamaica Social Welfare Commission is a body which has had three names in the course of its history : Jamaica Welfare Ltd., Jamaica Welfare (1943) Ltd., and Jamaica Social Welfare Commission.

In 1937 our outstanding lawyer Norman Washington Manley suggested to the then directors of the United Fruit Company of America (a company which for years has purchased bananas and other products in the Caribbean area) that it might be wise for them to establish a precedent by granting a small bonus on the bananas shipped from the country. The directors, surprisingly enough, and with an awareness of future possibilities, acquiesced in the desire of Mr. Manley and made a grant of one American cent from the profits made on each bunch or stem of bananas, to be used for the education and social development of the people, on condition that its chief rival in the Jamaica market would do the same. Mr. Manley then approached the Standard Fruit Company, which also agreed; and so these companies gave the people of Jamaica – to Mr. Manley as the representative of the people – not on a political but on a purely personal basis, one cent from the profits made on each stem of bananas.

That was in 1937. The initial grant came to about £25,000. The money was given without strings attached, and the work was begun in 1938. Workers were sent to America and to Europe to collect ideas, and by 1939 a programme was in process of evolution, the main feature of which was co-operative. We began with co-operatives because from the reading which was done – and Mr. Manley was a great student of world literature – and from the thinking that was done it was felt that co-operatives offered the best hope to the people.

Time will not permit me to describe the conditions which then existed in Jamaica, but to those who would like to look into the past I would recommend a book written in 1934 or 1935 by an Englishman, called "Warning from the West Indies," by W. H. Macmillan. Those interested may also care to look at the report of the Royal Commission on Conditions in the West Indies, prepared in 1938. Suffice it to say that that organisation, which was brought into being by two capitalist companies or two representatives of private enterprise or business, has given to us in the Caribbean an organisation which for six years was financed by such funds.

When the war came, no more bananas could be shipped from Jamaica and there was a danger of this organisation going under. The British Government, under the Colonial Development and Welfare scheme, kept the organisation going on condition that it would be incorporated under a new law. It was accordingly given a new name, Jamaica Welfare (1943) Ltd., but with the same basic policy, to devote itself to the social and educational development of the people; and we could interpret that as widely as we liked. We interpreted it to have as its main features co-operatives, cottage industries, literature and recreation.

In 1949, when our development had led us to the point where we could discriminate a little more than in 1938 and see things more clearly, the Jamaica Government, which had been given a much greater amount of representation and autonomy, decided to take over the burden from the British Government, and so we were re-christened once more and became the Jamaica Social Welfare Commission.

As I said before, I stand here as a Government servant employed by this body, but representing here to-day a voluntary body which has grown from the seeds sown in 1938. I represent the Jamaica Co-operative Union. I should like delegates to bear in mind that there are many ways of doing something and that there can be many partners in building this Co-operative Movement. We need not limit ourselves to Governments and peoples; there are others who have goodwill and who have funds at their disposal.

Mr. A. A. Drejer, Denmark : I should like to draw your attention again to the paper by Mr. David Owen. There is a special point which concerns this paper which is not directly mentioned in the text but which lies behind it and is very important, namely that when governmental bodies such as the United Nations and the Specialised Agencies of the United Nations try to find a way to promote the welfare of peoples who are greatly in need of help in this respect, they choose the co-operative way. We are apt to forget how important it is that from what may be called a neutral point of view, an international and governmental point of view, it is realised that the co-operative way is the right way to promote welfare in the world. That is my first point.

Next, I should like to say that we must realise that the efforts which the I.C.A. is making will involve us in many talks and in close contact and collaboration with these governmental bodies in the United Nations – the Technical Assistance Board and the Specialised Agencies, the I.L.O. and the F.A.O. in particular. I think it can be said that the experience which we have had as a result of such close collaboration is that it can be very successful. I should like to underline this, because we shall have to have this close contact and collaboration with the governmental bodies. We cannot, of course, overlook the financial side, but what I want to emphasise is that as a result of six or seven years' experience we are able to say that the understanding of Co-operation in these official international bodies is not merely a theoretical one, but a really practical one. We have had the opportunity of meeting people in these bodies who are well acquainted not only with the main lines of the work but with its practical side.

We must realise that this very large task which the I.C.A. has set itself must include collaboration with other organisations, and to a large extent with these international governmental bodies, but we have no reason to expect that we shall have anything but very good collaboration in this field.

Mr. D. E. Hettiarachchi, Ceylon : I should like to associate myself with all that has been said by my colleagues from Asia in appreciation of this undertaking by the I.C.A. I should like to bring to the notice of the I.C.A., and of the European members of the Alliance in particular, that European missionary zeal has succeeded to a very great extent in that part of the world, and, if this undertaking is conducted in that spirit, I can assure you that there can be no question but that this mission to S.E. Asia will be successful.

In saying that, I should like to say also to my colleagues from the part of the world which will benefit from this mission, that we have a great responsibility and a duty to assist in this matter. You all know that the biggest problem in that part of the world is the poor morale and low educational standards of the people and of the employees of co-operative institutions. It is my opinion that this mission has a great part to play in uplifting the morale and the educational standards of the people.

It is rather a delicate matter, as has been said several times already, to touch on finance. I think that Dr. Kéler is right in mentioning in his report that in the matter of technical assistance it is necessary to have finance available for success. In that field I was very much encouraged to hear what was said by our friend from America, who promised to send an aeroplane round the world to take co-operative representatives to the U.S.A. I think that delegation for what was said. Here is a field for them in this all-important matter.

I should also like to mention that this assistance which is being accorded to S.E. Asia should also be extended to Africa. There is no difference in the co-operative world, and we believe that such a mission would also help our fellow-Co-operators in Africa. All right-thinking men and women will want to support this missionary work, and I wish to say in conclusion that my delegation and my country, like other countries in our part of the world, look upon the decision which has been taken as a great milestone on the road to the development of co-operative activities in that region.

Close of the Fifth Session.

SIXTH SESSION.

Tuesday Afternoon.

The Promotion of Co-operation in Lesser Developed Countries

Continuation of Discussion.

Mr. G. Tolino, Lega Nazionale, Italy: I have not a great deal to add, but each one of us can make a contribution to the study of this problem. Mr. David Owen says that "government action alone cannot endow Co-operative Movements with vitality and dynamic force." There is a whole sphere here to be exploited outside the range of Government action. A remark by our Finnish colleague interested me in this connection, because if we leave all the initiative to Governments there will be a danger to the freedom and independence of the Co-operative Movement. We have therefore to be quite sure what the rôle of the Alliance should be, as opposed to that of the United Nations and of the Governments.

I have personal experience in this sphere, because my activities have taken place mainly in what we know as the depressed areas of my country, the southern regions. In the southern areas of Italy the Government is still making tremendous efforts to improve the situation, with a fund which has operated for a number of years. While the work undertaken by the Government is important, it has only laid some of the foundations and introduced the necessary conditions for the development of the economy; it has not done more, and more should be done.

I feel that for the development of the under-developed countries there is need for encouragement from outside, in particular in the form of capital investment. In this connection there should be a very definite distinction between the part played by the United Nations and the part played by the I.C.A. It is the duty of the Alliance to further the development of the Co-operative Movement. In the framework within which the Alliance should work there are three aspects. The first is education, and this is most important. The second is the setting up of pilot co-operatives, in which our experts would have to work hand in hand with the local Co-operators in the spirit of brotherhood and friendship, as Mr. Patel said this morning. The third is capital investment. This raises a number of difficulties, but something must be done in this sphere if we do not want to let private capital get away with too much. Such investment could be carried out through a co-operative investment bank which should be set up, but this should be done in such a way as not to hurt the feelings of the population concerned. Our activities must be based, therefore, on a spirit of co-operation and brotherhood.

To conclude, I would suggest the setting up of a special Study Committee, an Auxiliary Committee, in order to draw up plans for future work in this sphere. The problem is a difficult one, but its solution is the only way of ensuring progress and well-being.

Professor L. Valko, U.S.A. : The members of the American delegation heard with great pleasure the final statement and conclusions of Mr. David Owen, particularly in relation to the active assistance of State Governments in organising co-operative societies. We sincerely believe in the principle of free and voluntary co-operation based on self-help; on the other hand, we considered very carefully those co-operative organisations which are established through Government help. The pioneers of Rochdale organised their small co-operative store by their own efforts, and it became the cradle of the world-wide consumers' Co-operative Movement. The small farmers of the Rhineland followed the ideas of Raiffeisen voluntarily and not as a consequence of Government orders. The American farmers built up their co-operative marketing and supplying system without any Government help.

These principles were also made part of the policy of the I.C.A. at the very beginning of its organisation. The Agenda of the 6th International Co-operative Congress in 1904, 53 years ago, in Budapest, shows that one prominent speaker, Sandor Karolyi, who is known as the father of the real Co-operative Movement in Hungary, clearly emphasised that the State or Government should not be involved in the internal affairs of independent co-operatives.

Certainly we realise the different conditions in the so-called economically lesser developed countries, where Co-operation can be considered as one of the best methods in the development of the economic and social and even the cultural level of the population. There the active participation of the State in organising co-operatives is clearly needed, and the only question is how far and for how long should the State or Government go on assisting the newly started Co-operative Movement. Mr. Owen has pointed out that this depends on the educational progress, how the people will understand and apply true co-operative principles. We fully agree with this point, and also, we wish to emphasise the great importance of co-operative education, particularly in those countries which have newly adopted the co-operative system.

I should like, however, to go one step further. During this Congress we have heard from several delegates varying and quite often controversial interpretations of the ideas of free Co-operation. This fact shows that we need in the present Co-operative Movement more studies for the theoretical evaluation of co-operative ideas. Practical Co-operation is to-day a great factor in world economy. Similarly, the scientific progress of the theory of Co-operation should follow this development and cannot be neglected.

I should like to call attention to the fact that on 20th August, two weeks from to-day, we shall start a five-day international conference to discuss the theoretical and scientific problems of Co-operation. More than 200 representatives of practical co-operative institutions and selected professors from various universities will meet in Erlangen, in Germany. Many of the distinguished delegates now attending this Congress will go to that conference. Mr. Tanner, of Finland, will speak at the opening meeting, and Mr. Johansson, of Sweden, will deliver an address. We are very glad to see that the I.C.A. will be represented by its Director, Mr. Watkins, thus showing that this scientific conference is not a duplication of the work done by the I.C.A. but is intended to assist it in the theoretical field.

A special group, under the chairmanship of Dr. Kéler, will discuss the problems of Co-operation in the lesser developed countries, and another committee will deal

with the international principles of co-operative legislation. This group will consider the legal status of co-operatives in various countries, which is one main factor in the relations of independent co-operatives to the State. We hope that this may be of educational assistance to those countries which are now building up their co-operative system.

I should like to say again that the Co-operators in America have a great sympathy with Co-operative Movements which have been started in the economically less developed regions. They are always ready to give a helping hand in the form of technical assistance through international agencies or in the education field, but we should like to see the development of real independent, free and voluntary co-operatives in those countries, and not State-organised or Government-controlled official institutions. We believe that this is entirely possible when the people realise what true Co-operation means. We sincerely wish real success to the Co-operators in those countries in their work in promoting the true Co-operative Movement.

Mr. A. W. Marble, U.S.A. : There are in the United States of America to-day over 17,500 credit unions with a membership of 9,000,000 people, who have in these credit unions savings of over three billion dollars. In Canada there are 4,500 credit unions with over 2,000,000 members and three-quarters of a billion dollars in savings. The National Association of Credit Unions, representing these more than 11,000,000 people, has formally expressed its interest in helping, in its humble way, the people in the less developed areas. We have not only expressed our interest, but we have made a small but important beginning. We have appropriated thousands of dollars to help the people in these under-developed countries. The director of the Overseas programme is working currently with people in South America, in the Caribbean, in Asia and elsewhere.

I should like to state at this point that the United States delegation and our credit union members heartily agree with Mr. Patel, our brother from India, when he stated that co-operatives should not be and must not be dominated by Government or Government agencies. We realise that there is a rôle which Government can play in this work and which it must play. It must play a part in helping to develop these areas, but we feel that the Co-operators in these areas should not come under the domination of governmental agencies, as has happened in some instances. Rather we want to work with our Government hand in hand in accomplishing this job. It is essential that if we are to enhance the dignity of the individual member as well as his economic well-being, the savings of our people must be under their own control. We are telling the people in these lesser developed areas of our experiences with co-operative thrift and credit societies. Not only has the dignity of millions of our members been enhanced by their experience in their credit union, but they have billions of dollars working for themselves, financing homes, recreation, education, radio, cars, travel and many other consumer needs and desires. These billions of dollars, under the democratic control of the people to whom they belong, represent a tremendous potential for good.

In telling our story to these people in the lesser developed areas and helping them to organise co-operative thrift and credit organisations, our lives too are enriched by the experience. It is important, therefore, that those of you who represent other phases of co-operative effort should recognise the potential that

you have in the credit union movement, and that you should give the benefits of your valuable experience as leaders of your own organisations. In this way the greatest good for the greatest number of people can be realised.

Mr. J. Pistek, Czechoslovakia : On the question of assistance to the so-called lesser developed countries, I wish to point out that the Alliance, or, it may be, even the national co-operative organisations, should try to find a more efficient form of assistance, while at the same time fully respecting the autonomy of the co-operative organisations, giving them advice but leaving it completely to the Co-operators themselves to decide their own affairs. We suppose that this has not always been the case, and therefore they are not satisfied, and no more are we, in several instances. If they are given more power it will help them to gain more experience in solving difficult questions, and they will acquire more of the practical "know-how."

The recovering nations of Asia are recording a period of rapid development and efforts to make up for everything which they missed in the period of foreign domination, which was not their own fault. Examples from a number of countries show that they are very successful in that respect. It would be right if the Alliance by appropriate methods, acceptable to the Asian Co-operators, should support these self-sacrificing efforts which are being made.

One of the most efficient schemes of assistance would naturally be a wider expansion of international co-operative trade, through which on the one hand the sales of products of the native co-operative societies and organisations would be ensured, and on the other hand goods and equipment and so on would be supplied which are indispensable to these co-operatives and their members. A purposeful international trade should also contribute to a gradual industrialisation of those countries, as an essential pre-condition for the improvement of the living conditions of co-operative members as well as of other sections of the population. Comparatively substantial assistance could be given, for instance, by financially strong wholesale societies and big co-operative societies and unions helping to train the native population. This kind of activity would contribute both to improving the standard of production and to a more rapid pace in raising the technical level of the workers. The result would then be reflected in the quality of the goods which would form part of international co-operative trade.

Those are a few comments which I wish to make on this problem, which is attracting considerable interest on the part of the Alliance, and which owing to its importance should be solved more quickly, especially from the practical point of view.

Mr. A. Belardinelli, Lega Nazionale, Italy : I am glad to see the attention which is being given to this problem of the under-developed countries. As has been said, there are three important aspects of the problem : first, progress in international technical assistance; secondly, governmental tasks in the lesser developed countries; and thirdly, how the I.C.A. can act to help in the right way, and fruitfully, the development of Co-operation in these areas. At this Congress we have before us an organic exposition of these broad and difficult problems which have been before our Movement for many years, during which our international co-operative activity towards the under-developed countries has been mostly based on the provision of information and the promotion of contact.

From the paper by Mr. Patel, there is reason to believe that the steps forward made in this field will be such as to allow the I.C.A., in close collaboration with the co-operative unions of the under-developed countries, to take part in a policy of co-operative development in those countries, which must be based on methodical programmes of propaganda and information, mobilising all the forces interested in progress. Attention must be given to the solution of financial problems, with the help of the International Co-operative Bank. For the moment I think it is the task of the I.C.A. to give the necessary technical assistance and constantly to call the attention of the United Nations and all its different organisations and all the Governments to this problem.

Another important problem is the training of Co-operators in co-operative leadership. In this respect we should take into consideration the possibility of putting at the disposal of the Co-operative Movements in the under-developed countries co-operative equipment and finance, as well as technicians and administrators. We have to train the Co-operators of these countries both from the theoretical and from the practical points of view. If we want to make a real contribution to the economic and social development of the under-developed countries, we must act on a basis of perfect equality and develop the most absolute respect for the freedom and national independence of these countries. We must not forget that the people of these countries have fought to gain their independence and now through the Co-operative Movement we must make our contribution to ensure that trusts and combines do not succeed in setting up new forms of colonial exploitation, because this is the main threat to the freedom of those countries to-day.

Mr. K. Y. Yunusov, U.S.S.R. : The Co-operators of the Soviet Union are very satisfied to find that the I.C.A. has devoted time and attention to the question of the development of the Co-operative Movement in the under-developed countries. We all know the measures which have been taken by the Executive of the I.C.A. in this respect, and certain results have been achieved. We should note that the Development Fund at the moment has been subscribed to by only 13 countries, whereas the I.C.A. has 41 members. The I.C.A. should take the necessary measures to increase the number of countries which are prepared to contribute to the Development Fund.

The I.C.A. should also strengthen the national co-operative organisations and help the organisations in the lesser developed countries with research work and by reviewing the work which has been done. It should encourage international co-operative trade, which is also of value to these lesser developed countries. We should increase the exchange of experience between the organisations of the lesser developed countries and also between them and co-operatives with great experience and considerable achievements behind them. National co-operative organisations in areas close to the under-developed countries can do valuable work in this sphere, and that includes co-operative organisations in Central Asia, and particularly in Uzbekistan, which is my own country. We can provide aid to neighbouring countries.

The Alliance should contribute to the giving of such aid and publicise such aid. It should give information about the results obtained. Assistance can be provided in various forms. Personal contact between the Co-operators of different countries is of particular importance. Delegations of Co-operators from one

country may help to find solutions to problems in another country which they are visiting and which have been solved in their own countries. Indian co-operators are at present in my country and are very interested in the activities of our consumer co-operatives. We should develop the exchange of documentation and publications on co-operative matters between countries and organisations, and in particular we should encourage the exchange of technical documentation between consumer and productive co-operative organisations.

We should also try to find a solution to the problem of helping the lesser developed Co-operative Movements through the United Nations and through Governments. Particular emphasis should be placed on the rôle of the Co-operative Movements in the processing industries of the lesser developed countries. There are various other ways in which service can be given, but what is important is that this aid should not be supplied at the cost of the sacrifice of the independence of the country receiving the aid. Only in this way can it be really valid.

We have no objection to the resolution which is to be submitted and we feel that it should be approved. Like other delegations and movements, we shall be glad to do all we can to ensure the implementation of the resolution.

Mr. A. Hirschfeld, France : After the three excellent papers on the development of the Co-operative Movement in the lesser developed countries which we have heard, I should like to make a few remarks based on my personal experience as a former expert of an international organisation and also as one who has had extensive contacts with co-operatives of various types and with Co-operators in Asia, Africa and Central America. It cannot be denied that Co-operation is for many countries the fundamental economic and social structure which is most suitable for their way of life and their particular approach to life. Under the pressure of Western civilisation, these peoples have abandoned certain former practices based on the tribal principle, and Co-operation will enable them to re-establish a definite equilibrium and will prevent them from embarking on an uncontrolled individualism which would leave them open to serious threats and dangers.

The achievements of the Co-operative Movements in a number of new countries – and we are particularly pleased to see those countries represented here – show the possibilities of the development of Co-operation in countries which have as yet not reached their maximum stage of development. We are convinced of the value of the co-operative approach, but we cannot disappoint those to whom we appeal. The authors have emphasised the work carried out by the international organisations and in particular the Specialised Agencies in technical assistance in the field of Co-operation. It is true that at the beginning of their efforts these organisations did not co-ordinate them sufficiently, but in recent years we find that co-ordination has been established.

I have been able personally to see the excellent work done by the Caribbean Commission, although its resources have been limited. This co-ordination, however, is even more necessary when we are dealing with private organisations. In one of the countries of the Far East I saw enormous financial resources wasted in an attempt to create co-operative organisations in an absolutely destitute population. This was indeed charity; it was perhaps very noble, but it seems to be regrettable, in the case of populations in no way prepared for this sort of work, to rouse their hopes and lead them to believe that the setting up of co-operative organisations

will solve all their problems, when we know that they are not in a position to make them work. We know that our ancestors accumulated little by little those resources which our Movement now has at its disposal.

We feel, therefore, that wherever the inter-governmental agencies are for various reasons unable to help set up a Co-operative Movement in an insufficiently developed country, it is essential for the Alliance to play a two-fold part. First, the Alliance should make the people understand the true meaning of the Co-operative Movement, and secondly the Alliance should help those organisations, which are usually very charitably inclined, to do practical work, because frequently they have not the necessary resources. In order to be able to do this, the Alliance should increase the resources at present at its disposal. Personally, I would welcome any initiative by the Alliance to increase its resources.

Mr. B. Melvin, Canada : It would be inappropriate to take up a great deal of time now, because we have already spent a considerable amount of time on this subject. It has been time well spent. It is the wish of the Canadian delegation, however, to make it clear that it supports very heartily the proposals which are being made and will support the resolution which is to be put before the Congress.

This subject was one of special concern at our own annual meeting earlier this year. We have sent a number of people to various countries where we believe that they have done valuable work, and that is evidence of our keen interest in this subject. The Co-operative Union of Canada in particular has given support in every way possible to the work of the Colombo Plan. Our country is very much involved in that. We were very happy when the Colombo Plan came into existence. I suggest to you, however, that our important objective should be the establishment of direct contact between the co-operatives in the lesser developed countries and those in our own countries, rather than reliance on the work which can be done through services such as are set up under the Colombo Plan. As I say, we were very happy when the Colombo Plan was established, but we shall be much happier, and our pleasure will be infinitely greater, when some day someone in the Government of Canada tells us that we no longer need a Colombo Plan. It seems to me that this is the objective towards which we are working, that the day may come when the co-operatives in these countries are so fully developed and strong that assistance of this sort will not be necessary.

I have two brief comments to make; one is with regard to methods and techniques. I said a word about this in 1954 in Paris. It seems extremely important that when we use and develop methods and techniques in these areas we do not attempt to transplant European or North American institutions holus-bolus, as it were, into these areas. Let us rather be adaptable in our approach and in the techniques and methods which we use. Let us seize on what is already there which is consonant with our purpose and then add to it.

My other observation has to do with the approach to this problem and to the people in these lesser developed countries. Mr. Patel spoke about this and said that it was a delicate matter. Probably it is, but it is an extremely important matter. We of the British tradition have not always, as I understand history, stood in the best light in this regard. Here is an opportunity for us, and I am sure for others as well, to indicate that we have learnt, that we have advanced, that we are making our approach in a different mood entirely from that of the past.

The importance of this point has been emphasised by Canadians who have come back from tours of duty or assignments in many of the countries about which we are speaking. It seems to me that the building of mutual respect and understanding is a fundamental end product which we want to get from this whole endeavour. Material gain and improvements can be brought to nought if we do not have this understanding and this mutual respect, and again I think that history will point to instances of this sort of thing. I feel that it is not a case of the more fortunate helping or sharing with the less fortunate; that is an idea which belonged to another century, and certainly it does not belong to this one. The project on which we are embarking is a project of sharing. We do know that the welfare of each individual is inexplicably bound up with that of his fellows. We are moving along together, not simply extending a helping hand but going down the road together, so far as this project is concerned. It is of fundamental importance to bear this in mind if our work is to be fruitful.

The Canadian delegation – and that includes both the Co-operative Union and the Conseil Canadien – pledges its support most fully to the project to be undertaken and the work to be done. I should like on behalf of the American and Canadian delegations to suggest that in the resolution – if it is not too great a problem to make a change now – where the words “less developed countries” appear we might substitute the words “newly developing countries.” This, it seems to us, connotes a positive rather than negative approach and an approach which we should like to adopt in starting on this work.

✓ **Mr. C. D. Prasada Rao, India:** This subject has been put before us in a masterly way by those who have made a special study of it and have proposed solutions for the promotion of Co-operation in the countries with which we are dealing. It has been recognised, as Mr. David Owen says, “that without the active benevolence and support of Governments, Co-operation cannot make the rapid progress urgently needed to-day.” It is true to a great extent that the Governments of these countries have to play an important rôle, but I wish to submit that our purpose is to develop Co-operation which is voluntary and independent, and this fact has to be given sufficient consideration, because often in the past Government help has smothered initiative and enterprise. We have therefore to be clear about the extent to which we require the Government to come into the field for the promotion of Co-operation.

In this context I would refer to paragraph 3 of the resolution: in which it is stated “that Governments should foster and encourage these Movements by providing appropriate legislation, administrative supervision, leadership training and adult education,” and so on. I wonder how a Government would be in a position to “foster and encourage” non-official leadership of the Co-operative Movement. I take it that we do not want Government leadership of the Co-operative Movement, which is a people’s movement. Departmental leadership, I am afraid, is not going to establish a voluntary Co-operative Movement, much less an independent Co-operative Movement. I submit, therefore, that we had better delete this reference to leadership in paragraph 3, and amend the paragraph to read:

“The Governments should foster and encourage these Movements by providing appropriate legislation, administrative supervision and adult education, so that co-operative organisations can, in the shortest possible time, provide the leadership necessary for the independent management of their affairs in an efficient and democratic manner.”

My second point concerns the last paragraph but one of the resolution, which reads: "appeals to established co-operative trading, agricultural, banking and insurance organisations to create wherever practicable, business connections with similar organisations in the lesser developed countries." It need not be explained that an agricultural society in one country will not be able to foster any business and therefore I should like the paragraph simply to say "co-operative organisations."

I should like to offer a few remarks on the last paragraph. The Technical Assistance Sub-Committee has already considered the problem and prepared the broad outline, and the I.C.A. has already drawn up a programme and is shortly convening a conference of the Asian countries. I should therefore like the following words to be included in the last paragraph, after the words "Central Committee":

"to expand the activities consistent with the availability of funds and draw up for submission . . ."

and so on.

The President: Dr. Bonow will now move the resolution.

Dr. M. Bonow, Sweden: Some amendments have been suggested to the text of the resolution. I should like to begin by saying that there has been universal support for the resolution, and the changes now proposed by our Indian friend are to a very large extent merely drafting changes. I do not think that it will be necessary to go into details with regard to the wording proposed here. We have noted what has been said, and as far as I can see there are no objections at all to these drafting changes.

The proposal made by Mr. Melvin on behalf of the Canadian and United States delegations is also a drafting change to substitute the words "newly developing countries" for "lesser developed countries." That is a drafting change which can easily be accepted.

Mr. Tolino has proposed a change which is of a different character. He has suggested an amendment which means that we should set up within the I.C.A. headquarters a new committee, a special Study Committee, to deal with questions concerning the lesser developed countries. I submit to you that it would be quite superfluous and probably embarrassing to have two bodies, the Technical Assistance Sub-Committee on the one hand and a special Study Committee dealing with very much the same problems on the other. For that reason I think that this amendment should not be accepted by the Congress.

Let me go on to deal with a topic which has been emphasised several times during the discussion to-day. It is the question of how far Government activities should enter on the scene in promoting Co-operation in the lesser developed countries. I think that it would be possible to summarise the discussion which has taken place and the opinions which have been expressed in a few words. No doubt very much can be done by governmental assistance and by help from international agencies attached to the United Nations, but all such forms of help are, so to speak, directed from the top. However, if such help is successful it may be a means of creating interest among the broad masses for self-help through collaboration and co-operation, but I may perhaps in this context refer to an important book by Chester Bowles, the former American Ambassador to India, who says: "The misery of the billion or more people who rarely get enough to eat must be

eased, but the method by which progress is made is as important as progress itself. Progress cannot be made from the top down; it must grow from the bottom up, largely through the efforts of people determined to help themselves."

The co-operative form of enterprise – agriculture, credit, consumers' Co-operation and other forms – is so far, we shall agree, the only known method for the broad masses to take their economic affairs into their own hands. It is the only instrument in the economic field which it seems possible to use for this purpose. As was once said, even good government is no substitute for self-government. I think that on these principles we can all agree, and I take it that that gives the trend of the thoughts which have been expressed in this Congress. It is valuable to have State help in the lesser developed countries at the beginning, but it is important to come as soon as possible to a stage when the members of co-operative societies are prepared to take their economic affairs into their own hands.

Let me make some general remarks about the place which the promotion of Co-operation should have in the general activity of the International Co-operative Alliance. We have had, as many speakers have emphasised, three excellent papers put before us, and we have had a very good discussion, which has elucidated further points connected with technical assistance and the promotion of Co-operation in the lesser developed countries of the world. It is an important task for the Co-operative Movement to assist the inter-governmental bodies in this work. In the economically more advanced countries we must make use of enlightened opinion to get increased support for all efforts aiming at material help and technical assistance for the lesser developed countries. To enable us in the advanced countries to do valuable work in this respect, it is necessary to repeat again and again the plain truth about the enormous difference which to-day exists between the wealthy and the poor countries.

Let me remind you of a few facts. The rich countries represent only 15 per cent of the world's population, but 62 per cent of the world's income. The poorest countries, with a national income of less than 100 dollars per head in 1949, have 54 per cent of the world's population but only 9 per cent of the world's income. The middle class countries, with 31 per cent of the world's population have about 29 per cent of the world's income. What is still worse is that the enormous increase in the population in the lesser developed countries has outstripped the growth of production. Food production per head, according to official figures, has been stagnant or has even decreased in some lesser developed regions of the world since 1934-38. Further, while the post-war period in the more advanced countries has been characterised by a strong increase in the production of industrial goods per head, there is an opposite trend in large parts of the under-developed areas of the world. Without some check on the enormous increase in the population, the other problems seem almost impossible to solve. As an Indian, Professor S. Chandra Seta, has said, an unlimited growth in the population and an increased standard of living are quite incompatible in present conditions. In the long run it is impossible to visualise the present world economic situation as a permanent one. There are grave social risks involved if the existing development cannot be rapidly changed. The Chairman of the World Bank said in a speech to ECOSOC in 1954, static and stagnant economies may become expensive policies.

Since the end of the Second World War work has been initiated by the United Nations and its Specialised Agencies to promote economic and social development

in different parts of the world. Mr. Owen, in his excellent paper, has pointed out that in 1957, 83 Governments are expected to contribute 31,000,000 dollars to special technical assistance funds. Although much useful work has been done, Mr. Owen himself points out that this is only a beginning in dealing with the problem. Lord Boyd Orr goes even further and considers the programme hopelessly insufficient. If we compare financial contributions with economic needs, Lord Boyd Orr is certainly right.

An interesting suggestion has been made by the Labour Party in Great Britain, who have put forward the idea of allocating about one per cent of the national income in advanced countries annually to assist the lesser developed countries. Within the free world Trades Union Movement a similar idea has been put forward. If only 0·5 per cent of the national income was set aside, it would bring in an enormous amount compared with the sums now available. To give one example only, 0·5 per cent of Sweden's national income would in a year be 50,000,000 dollars. However, public opinion would have to be enlightened to support such a move. This alone is an important task for the Co-operative Movement and other popular movements in the Western countries. Naturally in addition to this general propaganda for expanded technical assistance, our Movement must have, as it has, its own programme to create ways and means to get increased and regular voluntary contributions to the I.C.A. Development Fund for the promotion of Co-operation. This is referred to in the very important last section of the resolution.

What in other respects can our organisation do, in addition to collaboration with the United Nations and its Specialised Agencies, for the lesser developed regions of the world? Let me give you a few examples. Professor Bernini has recently published an important book on World Economy which deals thoroughly with the economic and social problems of the lesser developed countries and gives some recommendations on world economic policy. These aim at changing the present situation, which is characterised by strong economic expansion in the advanced countries and a stagnant economy in the lesser developed countries. Let me mention a few of his suggestions. It is first a question of diminishing present restrictions on international trade and payments. When the more advanced countries liberalise their foreign trade, they will increase world trade and at the same time help especially the lesser developed countries by increasing their possibility to export and import. The United States, the most powerful industrial nation in the world, ought to take the lead in reducing its own import restrictions and the Western European countries who can afford to do so ought to follow this example.

The famous American economist Jacob Weiner has said that a reduction of trade barriers, which, in spite of adjustment during 15 years, are still extremely high, may be of greater use for other countries than all the American help given in the form of loans and technical assistance. There are, of course, very many vested interests in countries with an advanced economy. The I.C.A. and the National Co-operative Movements can bring their influence to bear in this connection and contribute to create a strong opinion in favour of reducing trade barriers in the Western countries. This will undoubtedly mean increased possibilities for expanded exports from the under-developed countries and expanded imports into those countries. In this enlightened activity the I.C.A. can have useful collaboration with the International Chamber of Commerce in particular.

The next problem about which I wish to say a few words is that of the terms of trade between the lesser developed countries and the more advanced countries. According to an investigation made by the United Nations, simply a change in the terms of trade with 10 per cent in favour of the lesser developed countries will enable them to increase their present imports by no less than 1,500,000,000 dollars a year. This shows the magnitude of the problem. There are very many factors which influence the terms of trade between different regions of the world. There is no doubt, however, that the existence of strong international cartels in the more advanced countries means that prices of industrial products are kept higher than would be the case without monopolies of this kind. There is no doubt at all that international control over these cartels and monopolies would be a step in the right direction.

The I.C.A. and the National Co-operative Movements have pledged themselves to the I.C.A. policy in order to try to influence the Governments in the different countries to establish an international monopoly control along the lines contained in the Havana Trade Charter. So far, these efforts have been in vain, but it is a very important task for us to go on with this work and create a world opinion strong enough to break down the resistance against the anti-monopolistic policy. In this field, concerted action between the I.C.A. and the free world Trades Union Movement should be very useful.

One other factor may influence the terms of trade for the lesser developed countries, and that is the lack of stability in world market prices of foodstuffs and other primary products. This is especially detrimental for the lesser developed countries, whose exports to the extent of 90 per cent are in the form of primary products. A special chapter of the Havana Charter was drafted to deal with this problem. Very few practical results have been achieved in this field. In this connection the I.C.A. should, with F.A.O., UNESCO and so on, try to press for a progressive policy.

I have mentioned a few examples only of world economic and political questions, the solution of which is of paramount interest and importance as a means of bringing about a stronger and more rapid economic expansion in the lesser developed countries. The I.C.A. has already devoted much energy to these problems. We must go on doing so, and increase our efforts to gain practical results. This work of influencing world opinion in regard to these questions is at least of the same importance for the lesser developed countries as technical assistance in itself.

Although our main task is and must be the promotion of Co-operation, our programme of action must include also other forms of direct and indirect assistance to the lesser developed countries along the lines just indicated. The problems surrounding us have such huge dimensions that they must be attacked in all possible and practical ways. Assisting the lesser developed countries is a true task for an international organisation like the Alliance. There is, however, a tendency in world economy towards increased economic self-sufficiency. It is an outstanding fact that in recent years the international trade volume, in comparison to world production and world income, has decreased. Trade barriers of different kinds are responsible for this deplorable state of affairs.

The idea behind the technical assistance programme is human solidarity. We have in the Western hemisphere reached a state of economic and social integration

in our national States built on solidarity and collaboration between different classes. To solve the problems of the lesser developed countries we have to extend the idea of the welfare state to embrace the whole world. To contribute towards the creation of world opinion along the lines just indicated is indeed a constructive task for the International Co-operative Movement, and on behalf of the Executive I move the adoption of the resolution, amended as proposed by Mr. Prasada Rao and Mr. Melvin of Canada.

The President: You have heard the explanations given by Dr. Bonow. I think we can all be satisfied with the discussion, which has been extremely extensive, after the excellent papers submitted, and I feel that the Technical Assistance Sub-Committee, as the competent organ to deal with these questions, will have all the necessary directives in its work in connection with the Asian Conference.

We have had an amendment from Mr. Tolino. I think that as it has been explained to him that his proposal will involve two committees in place of one, he will withdraw the amendment.

Mr. Tolino, Lega Nazionale, Italy: As the terms of reference of the Sub-Committee will be broadened, I ask leave to withdraw my amendment.

The President: I now put to the vote the resolution as amended by the proposals made by our friends from India and Canada. I ask those in favour to raise their hands . . . Are there any against? Are there any abstentions?

There are no votes against and no abstentions. I declare the resolution carried unanimously. (Applause.)

Resolution

The 20th Congress of the International Co-operative Alliance, having considered the valuable information and opinions contained in the three Papers presented on "The Promotion of Co-operation," and recording its gratification that there is widespread belief in the value of Co-operation as a proved method of achieving social and economic benefits which would not otherwise be secured for millions of people who are exposed to the evils of poverty, ignorance and exploitation, is convinced—

1. That Co-operative Movements inspired by self-help and mutual aid, through which the people can further their interests as producers and consumers, have an indispensable rôle to play in the economic and social advancement of the newly developing countries;

2. That effective steps are necessary increasingly to associate the Co-operative Movements of these countries with the working and functioning of the Alliance ;

3. That Governments should foster and encourage these Movements by providing appropriate legislation, administrative supervision, and adult education, so that Co-operative Organisations can, in the shortest possible time, assume the independent management of their affairs in an efficient and democratic manner ;

4. That the aid provided for co-operative development by the United Nations and its Specialised Agencies has been an invaluable reinforcement to the efforts of Governments and Co-operative Organisations and should continue to be an important element in the Expanded Programme of Technical Assistance ;

5. That still more effective co-ordination is necessary between the work of Governments and Inter-Governmental Organisations on the one hand, and the activity of the I.C.A. and its affiliates on the other, in the field of co-operative promotion.

The Congress expresses its approval of the direction given to the activity of the I.C.A. within the framework of its Preliminary Programme of Technical Assistance by the Technical Assistance Sub-Committee, and calls upon the affiliated Organisations to continue on an increasing scale their contributions to the Development Fund ;

Appeals to established Co-operative Trading, Agricultural, Banking and Insurance Organisations to create, wherever practicable, business connections with Co-operative Organisations in the lesser developed countries ;

Instructs the Central Committee to draw up for submission to the next Congress plans for placing the promotional activities of the Alliance on a regular and adequate financial basis.

International Co-operative Trade— Its Difficulties and Possibilities and the Widening of Contacts with a view to the Exchange of Experiences in Co-operative Activities

**Paper by Mr. A. P. Klimov,
President of Centrosoyus, Moscow.**

The question of developing international co-operative trade is a vital one for all national co-operative organisations as well as for the whole international co-operative movement.

That is why the organs of the International Co-operative Alliance and national co-operative organisations have been repeatedly concerned with the study of the situation pertaining to international co-operative trade.

This question was put on the agenda of the London Co-operative Congress held as far back as in 1895, and it was second to be discussed after the question of establishing the Alliance itself. From that time on, this question has invariably emerged in the agenda of all Congresses of the Alliance in this or that form.

Attention paid by the international co-operative movement to the problem of international co-operative trade is explained by the rôle this problem plays in the destinies of the international co-operative movement.

Significance of International Co-operative Trade.

International co-operative trade promotes not only the development and strengthening of national co-operative movements but the international co-operative movement as a whole; it also contributes to the economic development of nations and to the co-operation among them.

International co-operative congresses appealed frequently to the organs of the International Co-operative Alliance and all organisations affiliated with it, to exert every effort and to take every constructive measure to expand the volume of trade between co-operatives of different nations.

The development and expansion of international co-operative trade is the most effective means of cementing fraternal ties among national co-operative organisations and the unity of the international co-operative movement; it constitutes an important contribution to the cause of international co-operation, promotes the easing of economic difficulties and contributes to the creation of the necessary atmosphere of mutual understanding and confidence in relations among nations and States, to the strengthening of universal peace.

The importance of the problem of international co-operative trade stems from the great rôle which co-operatives are called upon to play in the economy of many countries and in the peoples' life.

The widening and strengthening of trade co-operation among national co-operative organisations of all countries in the world will constitute a considerable contribution to the improvement of living standards of the population, the expansion of co-operative production, the increase in employment and the reduction of high prices; it will facilitate the activities of co-operative organisations both in finding necessary commodities and selling their products. It will contribute to the cementing of the co-operative movement, to the achievement of the lofty goal of improving the living standards of its members and will give more importance to the rôle it plays in the protection of social and economic rights of workers.

International co-operative trade is of great importance for all national co-operative organisations and especially for those of economically under-developed countries.

International co-operative trade with co-operative organisations of under-developed countries promotes the development of the co-operative movement in these countries, the expansion of industry and other branches of co-operative production and, thereby, raises the rôle it plays in improving the well-being of the peoples of under-developed countries as well as the rôle of co-operatives in the economic progress in the struggle for sovereignty and independent development of these countries, for liberation from the colonial yoke in the countries where it still exists.

Such is, in our opinion, the main significance of international co-operative trade.

Between the two world wars in spite of various difficulties international co-operative trade has developed to some extent.

World War II broke down the ties of international co-operative trade, which seriously impaired the economic activities and position of many national co-operatives.

All the nations should seek for peaceful co-operation, bringing into practice the principle of peaceful co-existence.

In our judgement, the task of co-operators of the East and West is to find first of all what they have in common, to find ways and means which will create an atmosphere of confidence between co-operatives and co-operators of all countries, and promote confidence between nations and States as a whole.

When we say that the more stable the confidence in relations between nations and States, the more successful is the development of international co-operative trade, and the realisation of ends and purposes of the co-operatives, we bear in mind the fact that in many countries huge material and financial resources are still being diverted to armaments and the development of military branches of industry.

It is obvious to everybody that measures reducing armed forces and military expenditures would favourably influence the economic situation and the improvement of the well-being of nations and thus make more effective the realisation of the goals of co-operation, the improvement of the economic conditions of toiling masses.

In this lofty cause the co-operative movement should play a prominent rôle. The development of international co-operative trade will pave the way for building

up confidence among the nations, since one cannot speak seriously about the expansion of international trade without removing restrictions and discriminations of all kinds which block the way to normal relations between all nations.

In its declaration on the occasion of the 34th International Co-operative Day, the I.C.A. and its affiliated organisations with 120 million individual members in 36 countries demand the expansion of international trade and higher living standards for all nations by means of establishing mutual confidence among the States and re-establishment of peace and security.

In our opinion, co-operators of all nations cannot but affirm their adherence to the principles of peaceful co-existence of peoples, cannot but facilitate further success in this field.

As for the Soviet co-operative movement it will continue to direct its efforts towards the strengthening of peaceful co-existence, economic and cultural co-operation and will back any initiative and effort to achieve this goal.

For Development of International Economic Co-operation.

The international trade, which reached a turnover of \$190 milliard in 1956 as compared with \$170 milliard without counting People's Democracies in 1955, promotes seriously the development of peaceful economy, raising the employment, improving the living standards of people, speeding up the industrial development of economically under-developed countries, preserving the peace.

International co-operative trade, being a part of world trade as a whole, is undoubtedly interested in its further rise and development.

All co-operatives feel the necessity to increase international co-operative trade, they all share the opinion that it is necessary to do so.

It is the more necessary, owing to the fact that the present international trade does not completely serve peaceful purposes and the improvement of living conditions.

A considerable part of it comprises war goods. It is enough to say that, in 1956, for example, \$2.4 milliard out of the whole export of the U.S.A., amounting \$19 milliard, fell on weapons and other war goods.

On the other hand, the structure of international co-operative trade has a rather peaceful character. It includes foodstuffs, agricultural goods, equipment, handicraft goods, dry goods, i.e., just such goods which promote the improvement of living conditions of the people.

The co-operatives of these countries, whose post-war development has been characterised by irregularity and instability in the development of industrial production, by financial instability and in some countries by an agricultural crisis, these co-operatives cannot but feel a special necessity to expand international trade relations.

The position of co-operatives is also aggravated by the fact that "the co-operative organisations of the West," as it was correctly noted in a series of articles by

co-operative leaders and, in particular, in the article "International Exchange of Co-operative Commodities," by Tom Taylor, published in the "Scottish Co-operator," of 30th October, 1954, "face the competition of big international syndicates."

The 18th Congress of the International Co-operative Alliance, held in Copenhagen, in 1951, drew the attention of the international co-operative movement to the rapidity and might with which capitalist monopolies are seizing the whole economic life of a number of countries.

The resolution adopted by the Congress, pointed out that in some countries general State economic policy has practically brought about the strengthening of the positions of monopolies.

It emphasized that international and national cartels and trusts were resisting the forces in various countries and international organisations which co-operate in achieving, in particular, greater freedom in international trade, the expansion of world production and thus the betterment of material and cultural standards both in economically under-developed and in all other countries.

Taking into consideration the perilous influence of monopolies both at national and international level the I.C.A. Congress urgently appealed to all co-operative movements that they should actively struggle against abuses of monopolies.

Co-operative organisations, the Congress pointed out, should demand effective legislation against boycott and discrimination on the part of cartels and monopolies.

Nowadays the importance of the struggle of co-operative organisations against capitalist monopolies has by no means decreased but, on the contrary, has intensified since the difficulties in the co-operative activities of a number of countries have increased because of the competition of private firms and especially of capitalist monopolies.

The consolidation of international co-operative trade is by no means a factor of minor importance in the struggle against the onslaught of capitalist monopolies and trusts. As for the success of international co-operative trade it, of course, depends on the achievements and strength of national co-operative movements. So the foremost task is to cement national co-operative organisations, to better co-ordinate and unite the efforts of all national co-operative societies.

In the atmosphere of co-operation the success or failure of one co-operative organisation or of a group of organisations, of one country or of a group of countries cannot be regarded with indifference by others.

Difficulties existing in co-operative organisations in a number of countries as well as difficulties in the economy of several countries could be considerably diminished, given the maximum expansion of mutually advantageous trade.

Discriminatory restrictions and bans of all kinds introduced in world economic relations and trade by certain capitalist countries are still in force, which impair world economy and consequently the welfare of the people in capitalist countries.

Nobody will deny the fact that the policy of discrimination pursued by a number of countries in the economic and foreign trade relations with the East is yielding negative results.

It is necessary to note also such an unfavourable phenomenon as instability of the balance of trade in certain countries. For example, in 1955 the volume of import by the West European countries from the dollar zone was twice as much as their export into the said zone.

Negative trade balance of all West European countries, taken together with the dollar zone, which counted in 1937 \$90 Mill. monthly, reached in 1955 \$259 Mill. and in the first 9 months of 1956 - \$264 Mill. monthly. And such balance is not accidental.

The development of international trade will be more successful provided that all restrictions handicapping international co-operation are completely removed.

The authors of a special annexe to the report on the world economic situation prepared by the UNO Secretariat for the 20th session of the U.N. Economic and Social Council, July, 1955, were justified in saying restrictions and bans imposed in many countries constitute a serious barrier to international trade and cost much to the countries implementing them.

Restrictions and bans of a discriminative character on trade stimulate distrust among nations; bring about uncertainty in regard to the durability of ties, and impede the stability in world economic relations.

There is no doubt that those national co-operative organisations which are actively protesting against barriers of all kinds blocking the expansion of international trade, are right in their actions.

The regular Congress of the British Co-operative Union, held in May, 1956, which was attended by almost 4,000 persons including 2,149 delegates who represented more than 1,000 co-operative societies 11,250,000 strong, adopted by an overwhelming majority the following resolution :

“The Congress believes that trade between countries consolidates peace and friendship. We call upon Her Majesty’s Government, therefore, to abandon all restrictions, hindering British trade with China and Eastern Europe, and ask our Co-operative Movement to follow the example of the Scottish Co-operative Wholesale Society while negotiating mutually profitable bargains on goods exchange.”

Certainly, mere resolutions are not sufficient; firm, constant struggle for their realisation is needed.

As for us, Soviet co-operators, we, as well as all the Soviet people, are against any discrimination and restriction in trade. To our minds all those who are really ready to promote the expansion of international economic co-operation and confidence among nations should hold the same positions.

There are not a few barriers for the development of both international co-operative trade and world trade. A far from minor rôle in creating conditions for an unhindered broad development of international trade could be played by an international organisation acting within the framework of the United Nations.

Some people may say that there exists GATT, that there is a project for establishing an organisation of trade co-operation. But GATT is not an agency of UNO and it contains the same limitations of membership as the project for a trade - co-operation organisation.

One cannot consider normal the fact that within the framework of the United Nations there is still no universal international organisation for trade co-operation which could include as members both the UNO countries and other countries which may so desire.

Co-operative organisations cannot remain indifferent to this because the question of establishing such an organisation is quite mature and it would be a new step in the development of world trade as a whole and international co-operative trade, in particular.

At the 22nd session of the ECOSOC (July, 1956) the USSR representatives submitted a resolution on measures to extend trade co-operation.

The draft resolution, particularly, proposed that an international organisation for trade co-operation open to all countries both inside and outside UNO should be created within the framework of UNO.

Regarding these proposals as positive for further development of international co-operative trade, I would suggest that it would be useful for international co-operative trade and the activities of national co-operative organisations if they support before their governments the proposal to create a universal international trade organisation within the framework of the UNO, considering properly the principles included in the Havana trade charter.

Such a decision of the United Nations would undoubtedly produce a favourable effect upon the development of international co-operative trade.

There is still no all-European agreement on economic co-operation either, an agreement which would stimulate the creation and development of favourable conditions for trade between the European countries including conditions for trade between national co-operative organisations.

The Soviet Government proposed that the question of the working out within the framework of the European Economic Commission of a draft all-European agreement on economic co-operation should be discussed at the 11th session of the Commission (April, 1956).

It is obvious that it is expedient to have an all-European agreement in order to take co-ordinated measures which would promote the economic development of the European states and co-operation between them, as the widening of economic co-operation between all the European countries will contribute to the development of economy and the increase of well-being of the peoples of these countries, to the creation of an atmosphere of confidence between them, and to the consolidation of universal peace.

Now for the development of economic relations between European countries.

Co-operative organisations of the European countries are interested in all-European co-operation in the field of trade, payments, credit and insurance, as

well as in joint use of natural resources and in exchange of know-how. That is why they cannot be indifferent to proposals which are submitted for the solution of the said problems.

At present, however, disregarding the interests of the all-European economic co-operation, some European countries signed the agreement about the common market. The majority of the partners of this agreement practically lose the freedom of action not only in trade with their partners, but in trade with other countries as well, as far as relations with these countries will be regulated by the leading organs of the common market as well, hence by the strongest of partners. That will undoubtedly cause great damage to the cause of development of international trade in general, and of international co-operative trade in particular.

In spite of the difficulties which many national co-operative organisations experience now, one should bar the mere thought of giving up attempts to find a solution to the problem of development of international co-operative trade. In this respect good deal depends on the desire of the co-operative organisations themselves, on their persistence and good will.

It is certainly true that it is extremely difficult for certain national co-operative organisations to get licences and necessary permission to import goods they need, but on the other hand it is no less true, that a good deal can be done if the Co-operative Movement defends its interests with sufficient flexibility and skill.

International Co-operative Trade Should Develop in Various Forms.

There can be used various forms and methods of developing international co-operative trade. The following forms are most commonly used now among the co-operative organisations :

Trade between national co-operative organisations;

Exchange between agricultural and consumers' co-operatives;

Through regional co-operative trade-purchasing agencies;

By creating co-operative enterprises belonging to several national co-operative organisations.

We believe that it would be no use for the international co-operative trade to oppose one form of international co-operative trade to another. It is up to each national co-operative organisation to choose between this or that form of international trade relations.

However, it should be recognized that the development of trade between national co-operative organisations is the most important form of international co-operative trade.

This form is the most practical one since it enables a national co-operative organisation to develop its imports and exports in conformity with its requirements and possibilities. With this form of trade relations, not a single national co-operative organisation sacrifices its individual advantages to the benefit of a bigger or smaller

co-operative organisation. This form of trade makes it possible to pay due regard to the division of labour existing in the industry of various national co-operative organisations. If one or another national co-operative organisation can develop the production of some commodity in quantity exceeding its home demand, the surplus of its production could be purchased by a national co-operative organisation of some other country. It would not be wise for the former to reduce the output of this particular commodity, since its working cost would not decrease but on the contrary increase, and the consumer would not win but lose. But it is the primary duty of a co-operative organisation to take care of the consumers' interest.

Another national co-operative organisation may face the same situation with regard to some other commodity and it may export the surplus of this commodity to that national organisation from which it imported other commodities.

Such relations between national co-operative organisations will promote the development of the industry of the national co-operative organisations, the expansion of their production and the reduction of the net cost of their products and thereby will contribute to their competitive position as against capitalist enterprises.

As for the development of the international co-operative trade through regional co-operative trade agencies or societies, this idea is not a new one, it has got quite a background. Such a regional society does exist now - for example, the Scandinavian one.

Some people believe that regional co-operative trade-purchasing societies can work successfully to the benefit of national co-operative wholesale societies only if they have similar import demands. In their opinion the initiative in the establishment of such purchasing societies should come from co-operative wholesale societies having similar requirements and demands.

Doubts are expressed in the international co-operative press as to whether these arguments for the establishment of regional co-operative trade-purchasing societies, including only those organisations which have the relative entity of consumers' market have sufficient grounds; at the same time the opinion is expressed that in reality the composition of such societies is to be explained by other factors, namely organisational and trade-technical ones.

Certainly one cannot deny the possibility of the establishment for a group of co-operative organisations, of some joint co-operative trade agencies, with the aim of creating a united foreign trade apparatus for the activities in the foreign trade co-operative market, since that will reduce the expenditure of national co-operative organisations in conducting foreign trade operations and will make it easier for each of them to carry on foreign trade co-operative relations.

However, it should be noted, that, in our opinion, the membership of such agencies should be open not only to national co-operative organisations, or co-operative societies, which are members of the International Co-operative Alliance but also to other national co-operative organisations concerned which are not at present members of the International Co-operative Alliance. This measure would be directed to further consolidation of unity of the international co-operative movement.

This is especially important now. As is known, the International Co-operative Alliance comprises national co-operative organisations totalling 125 million members while the total membership of the international co-operative movement is at present not less than 300 million people.

It is also important for the development of international co-operative trade that the relations between co-operative organisations be direct and require minimal expenditure, in order to avoid large expenditure which results from the expansion of intermediary organisations.

We believe that the existing international co-operative trade relations should be encouraged and that they are bound to give great effect.

The organisational forms of such relations will, undoubtedly, have their particular features in different countries.

As for the practice of our country of the past and of to-day, it shows that direct contacts between national co-operative organisations are most successful ones.

The Central Union of Consumer Co-operatives has established a special Foreign Trade Office to carry on foreign trade operations with other national co-operative organisations as well as with regional co-operative trade-purchasing agencies.

Along with carrying on foreign trade operations this Office, in the interests of the development of international co-operative organisations which may wish to carry on trade operations not with the Central Union of Consumers' Co-operatives, but with other business organisations of the USSR through the foreign trade organs of the State, may inform both national co-operative organisations and regional co-operative trade-purchasing agencies of goods which can be sold to foreign buyers by Soviet business organisations.

When the Foreign Trade Office of the Central Union learns the requirements of national co-operative organisations and regional co-operative trade-purchasing agencies with regard to certain goods, it can inform business organisations of the Soviet Union, particularly the Ministry of Foreign Trade of the USSR, in order to give assistance to the co-operative organisations in purchasing in the USSR goods they need as well as in selling goods to business organisations of the Soviet Union.

Whatever forms of assistance to the development of international co-operative trade national co-operative organisations may choose to apply, all of them are good, provided that they are aimed at the maximum development and strengthening of international co-operative trade relations on the basis of equality and mutual benefit.

One should study and consider most favourably the proposals which any national co-operative organisation would like to submit for examination by the other co-operative organisations with the aim of achieving still closer co-operative trade relations.

Every national co-operative organisation should take all measures within the scope of the existing legislation of the country to facilitate the development of national commodity circulation and exchange of services.

To facilitate the conclusion of transactions between co-operative organisations, the national co-operative centres should take measures to widen and facilitate participation in international fairs and exhibitions, to encourage the participation of national co-operative organisations in exhibitions arranged by one or another national co-operative organisations.

Alongside the expansion of international co-operative trade it is necessary to take measures to intensify co-operation and exchange on a reciprocal basis in the field of co-operative trade and production, exchange of appropriate data and information on such questions as prices, conditions for purchase; to practise reciprocal exchange of recipes, of details of the production methods; to practise information on methods of packing, exchange of designs, of advertisement materials, etc., to take measures to widen the practice of exchange visits of specialists of certain branches of co-operative activity; to convoke international co-operative conferences on scientific, technical, and economic problems; to give assistance in sending experts; to invite to respective countries people of co-operative movements from other countries for practice and studies.

It is important that this exchange and these contacts should be of a systematic character, but not occasional ones.

It would also be rather useful and quite possible to organise joint studies and research in the field of the improvement of the production of new goods and the quality of existing consumers goods, as well as to practice exchange of the results of research work between national co-operative laboratories and research institutions.

All these measures taken by national co-operative organisations along with the expansion of international co-operative trade will reinforce the power of the co-operative movement both on a national and international scale, and strengthen its unity and solidarity.

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Particular notice should be taken of the importance, for the development of international co-operative trade, of the question of trade relations between agricultural producers' and consumers' co-operatives.

A lot has been written on this question, a good many resolutions expressing good will and high ideals have been adopted, but practical results leave much to be desired, though it seems that there exist all elements necessary for successful co-operation.

To give an example of such a successful practical co-operation between agricultural and consumers' co-operatives one may refer to the experiences of the USSR.

In our country consumers' co-operatives have direct relations with agricultural co-operatives (collective farms). The consumers' co-operative purchases from collective farms on the basis of one, two or three year agreements, as well as through contracts, potatoes, vegetables, eggs, skins, furs, wool, and some other agricultural products, and sells them raw or processed to co-operative enterprises as well as to industrial enterprises, State trade organisations and other business organisations, and in the co-operative market abroad.

The consumers' co-operatives in their turn supply agricultural co-operatives (collective farms) and their members (collective farmers) not only with consumer goods, but also with goods for productive or commercial purposes; trucks, engines, small agricultural tools, oil-products, building materials, and other goods. There are no intermediaries between consumers' co-operatives and agricultural co-operatives.

It is not only consumers' co-operatives that profit from direct relations with agricultural co-operatives (collective farms); the latter profit no less, since they economise both means and labour, marketing their agricultural produce this way, as compared with what they would have if they were selling it themselves.

As another example of relations between producers' and consumers' co-operatives one may take former relations between the Danish agricultural marketing co-operatives and the English Co-operative Wholesale Society.

The English Co-operative Wholesale Society at that time established its branches for purchasing of eggs and butter mainly.

Mr. Ryan, Registrar of Co-operative Societies in Madras, reports that in recent years some of the trade societies in Madras freed themselves from the governmental control in export of onion, yellow root, potatoes and cayenne to the consumers' co-operatives in Ceylon. Under this system the producers of Madras got higher prices for their products (by 15 per cent) while the consumers of Ceylon paid less money (by 15 per cent) for the goods they bought. This is due to the exclusion of the middleman exporter and importer.

The merchants protested against the intrusion of the co-operatives into the sphere of their activity, but the members of the co-operatives of these two countries, says Mr. Ryan, realised the importance of mutual trade between the co-operatives.

The FAO Conference in Lucknow adopted the following decision :

“ It is desirable to establish effective ties between the producers' societies and consumers' purchasing societies in various countries to make more effective mutual international trade between the co-operatives to the benefit of both the producers and the consumers.

Therefore the Conference recommends that support be given to the establishment and the development of international trade relations between the co-operatives in various countries by way of :

- a. encouraging the establishment of national or regional central trade and purchasing organisations;
- b. giving preference to the co-operatives in international trade, in the distribution of export and import quotas.”

The Technical Conference on Co-operatives sponsored by the ILO and held in Karachi in December, 1950, repeated this recommendation in the following words :

“ The sponsoring organisation (ILO) should draw the attention of Governments to the importance of establishing economic relations between the co-operatives in various countries by taking all steps necessary to this end.

Wherever possible, the co-operatives should be given the right of representation in official advisory bodies dealing with foreign trade."

There is no doubt that the supporters of the co-operative organisations both in exporting and importing countries will solve all these questions and will create favourable conditions for trade on a co-operative basis, as well as on the basis of mutual assistance.

The International Co-operative Alliance has also repeatedly spoken in favour of widening direct ties between agricultural producers' and consumers' co-operatives. This problem is important for the co-operatives and the development of international co-operative trade, and the efforts which will be exerted by the co-operative movements in this direction, will be effective and helpful for the international co-operative movement.

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While speaking of the necessity of the development of international co-operative trade one should lay special emphasis upon the expansion of international co-operative trade with the co-operative organisations of economically under-developed countries.

It is especially necessary, bearing in mind hard exploitation of the native population of these countries by capitalist monopolies by means of not-equivalent exchange of goods. By means of low monopoly purchasing prices peasants are exploited first of all as producers of agricultural products.

So, for example, colonial monopolies of West Africa in 1951 sold peanuts at the price of 135 Fr. for a kg., which their agents had bought from peasants at the price of 17-37 Fr. for a kilo.

According to the official figures of the Ministry of Overseas Territories, the share of the direct producer in 1950 was less than 25 per cent of the selling price of cotton in Black Africa and about 15 per cent of price paid by the industry, in the metropolis.

For 1 kg. of careet oil African peasants in the Upper Volta in 1952 got 20 Frs. and the selling price of 1 kg. of the same oil in Dakar was equal to 60 Frs. The share of the direct producer in the selling price of bananas is in France 16 per cent and of cocoa 14 per cent.

The report on the results of the visit of the I.C.A. Mission to the Asian countries which was included in the Memorandum to the session of the I.C.A. Central Committee, held in Moscow last September, pointed out :

"In nearly every country visited, considerable interest was shown for assistance in inter-co-operative trade, in the marketing of agricultural products and handicrafts, as well as in the purchase of farmers' requisites and consumers' goods. Most of the foodstuffs and raw materials marketed by Agricultural Co-operatives in Asia - rice, fruit, tea, spices, desiccated coconut, copra, rubber, etc. - are regularly bought in large quantities by Western Wholesale Societies and could, with some good will, certainly be purchased from co-operative sources. No form of assistance could be a stronger incentive to the development of the Co-operative Movement from a material and moral point of view, than assistance in the sphere of inter-co-operative trade."

The co-operative movement in the economically under-developed countries has lately achieved noticeable progress. The development of the co-operative

movement in a number of the economically under-developed countries is taking place under new conditions. Radical changes have occurred in Asia, Africa and in the Near and Middle East since World War II. Many of these countries have gained political independence in the post-war period and have embarked upon the path of independent development, but not all countries are free from the colonial yoke and this hampers the economic growth and impedes the progress of nations of Asia, Africa, Near and Middle East and Latin America.

The Governments and the peoples of many under-developed countries which have embarked upon the path of independent development, have become convinced that they cannot do away with the century-old economic backwardness of their countries without all-round development of their economy on their industrial basis.

But the peoples of these countries have the right to count on unselfish assistance. When speaking about assistance we mean the establishment with these countries of all-round economic co-operation on the basis of equality and mutual benefit.

The co-operative organisations of under-developed countries want to sell raw materials, handicraft wares and other goods; at the same time the problem of prices, the problem of the equivalent exchange is very important. In general this problem is very important not only for international co-operative trade with the co-operatives of under-developed countries, but for the whole international trade with the economically under-developed countries.

As for the Soviet co-operative movement, we are ready to render every assistance to the co-operatives of under-developed countries.

We believe that the question of the development of international co-operative trade and, in particular, trade with the co-operative organisations of economically under-developed countries will draw the attention of the I.C.A. and we hope that the I.C.A. will work out constructive proposals designed to develop international trade with the co-operatives of economically under-developed countries which are badly in need of such trade.

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At present a new body – the Co-operative Wholesale Committee – has been set up in order to facilitate and to make more effective the work of the consumers' co-operative societies, members of the International Co-operative Alliance.

The statute of this Committee provides that the Committee is an auxiliary body of the International Co-operative Alliance and shall regularly submit reports on its activities to the Central Committee of the International Co-operative Alliance.

The aims and purposes of the Committee are as follows: collection and dissemination of information, all kinds of encouragement for the development of trade, trade relations and interests between the co-operative societies in all parts of the world.

At present the Committee does not intend to engage in trade activities of any kind.

It is provided that the Secretariat of this Committee shall deal with the organisation and establishment of co-operation between its members in order to study questions of common interest, as well as with the establishment of contacts between experts so that they could study common problems.

It is provided also that the Secretariat will choose, prepare, and submit questions which are of common interest to the members or the group of members, and will arrange, if necessary, conferences on specific problems.

At present one can hardly say anything definite about the future relations between the Committee and the International Co-operative Alliance.

Nor is it possible to define now what will be the practical results of the activities of this Committee and how effectively it will facilitate the progress of international co-operative trade. The Committee's future activity will show that.

However there is no reason so far to be against the establishment of this Committee. The national co-operative organisations should assist in the work of this Committee so that its activities be productive and useful for the purposes of developing international co-operative trade.

The Development of Foreign Trade Relations between the Central Union of Consumers' Co-operation of the U.S.S.R. and Co-operative Organisations of Other Countries.

The Central Union of Consumers' Co-operatives of U.S.S.R. supports all measures designed to restore, develop and strengthen the international economic and trade relations with the co-operative organisations of the world because, apart from facilitating the direct purpose of the co-operative societies, that is, to improve the material standards of workers, this promotes greater mutual understanding between nations and peace throughout the world.

The Central Union of Consumers' Co-operatives of the U.S.S.R. is a great public commercial organisation of our country. It comprises 21 thousand consumers' co-operatives with the total membership of more than 33 million people united in 3,505 district unions.

The main field of the multi-sided commercial activities of the consumers' co-operatives of the U.S.S.R. is trade. They have at their disposal more than 267·6 thousand retail commercial establishments.

The commodity circulation of consumers' co-operatives is growing year by year and already in 1955 it was 2·2 times as much as in the pre-war 1940; at present, according to the figures for 1956, it accounts for 161·5 milliard roubles, the sales in the urban areas accounting for one-fourth of the total commodity circulation of consumers' co-operatives.

Together with the increasing sales of foodstuffs, clothes, footwear, textiles and furniture in the commodity circulation of consumers' co-operatives, the sales of cars, motor-cycles, bicycles, radio sets, musical instruments, oil products and building materials have sharply increased.

Sales of timber, cement, roofing materials, sheet-iron, etc., constitute an ever-growing part in the co-operative trade and this is due to the great construction activities carried on by the collective farms of our country.

The organisations of consumers' co-operative movements are purchasing agricultural products and raw materials from the collective farms and peasants: wool, skins, astrakhan, poultry, gamebirds, eggs, potatoes, vegetables, honey, grapes, citrus and other fruits, berries, nuts, laurel leaf, bark, etc., and are purchasing from hunters in great quantities, squirrel, miniver, polar fox, sable, marten, mink, silver fox, musk-rat, otter and other furs; they have their own farms to breed silver fox, musk-rat otter and other fur-bearing animals.

Out of many kinds of medical and industrial raw materials procured by consumers' co-operatives, there are such raw materials as gingseng root, Spanish blister, servus noak, servus elaphus siberious, servus sica hortulorum, saiga's horns, lime flowers, black alder hack, dog rose hips, lily of the valley flowers, ergot of rye, soap root, lycopodium, calamus root, ants' eggs, cabardin, castorum, musk glands of the musk-rat.

Consumers' co-operatives buy in large quantities animal guts, down and feather mixed, hoofs and horns, horse hair and bristles.

The Soviet co-operatives have 17 thousand bakeries as well as canneries and other establishments processing fruits and vegetables. The total volume of production of the co-operative organisations was 12.9 milliard roubles in 1955.

The development of the Soviet co-operative movement and its progress are backed by the development of the national economy as a whole.

To meet to the maximum the ever-growing demand of both their members and non-members, the consumers' co-operatives of the U.S.S.R. in addition to the expansion of their own production and of purchase from home State-owned industries, agricultural co-operatives (collective farms) and Soviet producers' co-operatives, need to increase import. The Soviet consumers' co-operatives have considerable resources to extend export on the basis of developing the production of their own enterprises and those of agricultural and producers' co-operatives.

The Central Union of Consumers' Co-operatives has no foreign private firms as trade partners. It develops foreign trade with co-operative organisations only.

According to the figures for the first three months of 1957 Centrosoyus concluded trade agreements with the co-operative organisations of 13 countries: Albania, Great Britain, Hungary, German Democratic Republic, Denmark, Italy, Korean Peoples Democratic Republic, Poland, Federal Republic of Germany, France, Czechoslovakia, Sweden, Japan. It is necessary to note that with some co-operative organisations long-standing trade relations are in existence. For example, the third contract is concluded with the Scottish Co-operative Wholesale

Society and, as it was pointed out in the Scottish co-operative press, these transactions gave the co-operative works Ettrick Mills the possibility to work with full employment for a year and to provide jobs for the workers of the factory.

Besides the organisations with which trade relations already exist and are carried out, trade agreements are being negotiated at present by Centrosoyus with a number of other co-operative organisations.

Alongside the sales of consumer goods the Central Union could sell to the national co-operative organisations or regional co-operative trade and purchasing associations grain, herbs, wild fruits, and berries, mushrooms, various kinds of furs in all variations and forest gamebirds.

The Central Union could also export the products of apiculture, honey, wax, unrefined beeswax, and sell bark (raw material for the tanning industry), tow, horns and hoofs and other goods and raw materials.

In its turn the Central Union could buy from co-operative organisations consumer goods in a wide assortment, as well as some kinds of equipment for its industrial undertakings.

Other Forms of Contact Between National Co-operative Organisations.

Speaking of the significance of the development of international co-operative trade and of the rôle which it plays in the improvement and extension of contacts between national co-operative organisations, one can but mention such means of strengthening contacts and exchange of experience among co-operators of all countries as mutual visits of delegations, participation at international conferences, national congresses, exhibitions, exchange of publications, training of co-operative workers at educational institutions, etc.

The economic co-operation and cultural relations among peoples of different countries are important conditions for promoting and strengthening peace, friendship and collaboration among all the countries. From the historical point of view the peoples of the world have always enriched and developed their culture and economy by means of mutual study and mutual usage of their best qualities.

The desire to know each other better, to organise the exchange of experience, becomes apparent in the exchange of different delegations, in the establishing of multilateral contacts among countries. There exist mutual visits of parliamentary delegations, Press representatives, young people, trade unions, tourist development, etc.

National co-operative organisations of many countries have speeded up the work of strengthening international co-operative collaboration.

As an example, it should be necessary to present some data which characterises the activity of the Soviet consumers' co-operative movement. In the last three years over 70 delegations from Hungary, Great Britain, Albania, German Federal Republic, France, Chinese People's Republic, Japan, Sweden, India, Finland and other countries visited the Soviet Union on the invitation of Centrosoyus.

In the same period of time, more than 50 Soviet delegations visited in their turn, Poland, Italy, German Democratic Republic, Great Britain, Bulgaria, Mongolian People's Republic and others for the purpose of studying methods of work

of foreign co-operative organisations. These mutual visits played a great rôle and promoted better mutual understanding, establishing personal contacts. They did good to the matter of study of the experience of different co-operative organisations.

It is known that such a type of co-operation is widely applied also by other national organisations. For instance, the representatives of the Czechoslovakian co-operatives visited Great Britain, Austria, Yugoslavia, Iceland, Hungary and other countries, within seven months of 1956, and 45 delegations of foreign co-operators and about 150 individual representatives from Europe, Asia, Australia and South America visited Czechoslovakia.

In September, 1956, Mr. Cerreti, President of Lega Nazionale delle Cooperative, visited the German Democratic Republic with the purpose of studying the activity of the Union of German consumers' co-operatives.

In the same year delegations from Holland, Poland, Bulgaria, Iceland, Roumania and many other countries visited the German Democratic Republic.

In 1956 the delegations of All-China federation of supply and marketing co-operation and the All India Co-operative Union visited the Scandinavian countries with the purpose of exchanging experiences and studying the activity of the co-operative movements in these countries, and in 1957 China was visited by a delegation of Finnish co-operators.

It is possible to develop such exchange of delegations still further on the basis of mutual hospitality that permits the co-operators of many countries to avoid currency difficulties.

The participation of organisations at the conferences and their visits to the national congresses of the co-operators of other countries in the capacity of guests are also of great importance.

During 1955-1956 the representatives of Centrosoyus took part in the exhibitions, organised by the national co-operative organisations of Hungary, Poland and Czechoslovakia, they were present at the congresses of the co-operative unions of Great Britain, Sweden, Belgium and others. One can also give other examples. The Yugoslavian co-operators were present at the co-operative exhibitions of goods in Czechoslovakia and the fair in Poland. The representatives of the co-operative organisations of Albania, Belgium, Czechoslovakia, France, German Federal Republic, German Democratic Republic, Chinese People's Republic, Great Britain, Yugoslavia, Poland, Sweden, Switzerland, Hungary, Bulgaria, U.S.S.R., Roumania, Austria, were present at the celebration of the 70th Anniversary of the Lega Nazionale delle Cooperative.

Conferences, exhibitions and congresses not only promote the establishing of personal contacts between the leaders of co-operative organisations, but also give to ordinary co-operators possibilities of acquaintance with the co-operative movement in other lands. On returning home, the delegates give lectures on their impressions, make the co-operators of their lands acquainted with the experience of other organisations by means of the Press, radio, T.V., etc.

The Union of German consumers' co-operatives, of the German Democratic Republic, for instance, issued a publication about its delegation's voyage to the

U.S.S.R. in 1956; some co-operators of the German Federal Republic and of the German Democratic Republic published accounts of their journey to Poland.

In this connection it would be useful if the Alliance would organise publication in its official organs about the mutual visits of the delegations and representatives of national co-operative organisations to other lands. Such publications could be sent then to all the national co-operatives for the purpose of informing the broad masses of co-operators.

An important rôle belongs to the mutual exchange between national co-operative organisations of literature about the activities of co-operative movements in one country or another.

Our co-operative organisations are very interested in the activity of the co-operators of other countries.

This year we have subscribed to about 100 publications concerning different problems of the international co-operative movement. For the purpose of better study by our co-operators of experiences of other national co-operative organisations, Centrosoyus has a special co-operative library, which supplies the international co-operative movement's literature to all the organisations affiliated to Centrosoyus.

Very important also is the exchange of technical documentation on a mutual basis. It is well known that in a number of countries scientists and engineers spend sometimes a lot of effort and considerable material resources upon inventions and improvements that are already known in other countries. It would be advantageous and expedient for every country, as well as for world progress, if between different countries there existed wide scientific-technical co-operation.

We have already done something in this connection. Only during the recent time Centrosoyus sent model projects to the co-operative societies of Hungary, Roumania, Mongolian People's Republic and Korean People's Democratic Republic and, in its turn, got some drawings of store buildings from the Central Union of the German co-operative societies of the German Federal Republic. Such an exchange saves a lot of time and money, and is an important type of economic co-operation.

Relations in the form of the education of co-operators of one country at the co-operative schools of other national organisations are of considerable significance. At schools of Centrosoyus, for example, during the last two years about 40 co-operators from other countries studied there.

We shall develop this form of co-operation in future, too, and we shall be glad to see among our students the representatives of national co-operative organisations.

Each national co-operative organisation has to do its best to strengthen the co-operation with all the national co-operative organisations and by this fact to strengthen the international co-operative movement, its unity and solidarity, and in this way make its contribution to the cause of strengthening co-operation among the peoples and securing lasting peace all over the world.

Mr. A. P. Klimov, U.S.S.R., in presenting his paper, said: In as much as my paper has been published in full and has been distributed to all the delegates to Congress, I shall say a few words only on the basic ideas and proposals contained in it. The paper draws the attention of the Congress to the need for developing international co-operative trade, and secondly to the need for widening contacts in order to improve co-operative activities. These two problems can be said to constitute a single problem, the strengthening of international co-operative collaboration and the strengthening of the Co-operative Movement throughout the world, with the true solution of the problems facing it.

The existence of these problems shows the need for increasing mutual understanding between the various countries, in order to find solutions. There is the question of strengthening world peace, the question of developing co-operative trade and extending contacts, and these are fundamental for mankind and for the Co-operative Movement in particular. That is why the Congress of the Alliance and the co-operative organisations which are members of the Alliance are continuing and should continue to struggle for the solution of these problems.

At the last Congress we had a paper by Mr. Roos on the problem of the development of international co-operative trade. In the report of the Central Committee to the present Congress, on pages 29 and 30, delegates will be able to see the results achieved in the implementation of the resolution on Mr. Roos's paper, and will notice what those results are, in spite of the fact that the resolution at Paris was adopted unanimously.

The importance of international co-operative trade is undoubted. In the light of our experience and the experience of other co-operative organisations, I have dealt with certain aspects of the situation in my paper, although the paper cannot claim to be absolutely complete. The development and extension of international co-operative trade constitutes a very important way of strengthening fraternal relations between national Co-operative Movements and can strengthen the unity of the International Co-operative Movement and make a valuable contribution to world unity, co-operation and collaboration. It can also create an atmosphere of mutual trust and understanding between peoples and Governments.

The development and expansion of international co-operative trade between the co-operative organisations of all the countries of the world, without any exception or discrimination, will make it possible for the co-operatives to make a valuable contribution to raising the level of well-being of the peoples and will make it possible to increase production, to increase employment and to reduce prices. This will make it easier for co-operatives to find the goods which they require to satisfy the needs of their members. The Co-operators of East and West must first strive for the fundamental aspirations which are common to them and will create an atmosphere of mutual trust between the Co-operators of all countries.

Secondly, the paper draws attention to the need to overcome difficulties which are still in the way of the development of international co-operative trade. The development of international co-operative trade depends, of course, in the first place on the strength and stability of the national Co-operative Movements. The success or failure of one Co-operative Movement or one region cannot be ignored by others. The over-all activity of the Co-operative Movement must aspire to do away with all discriminatory practices in the sphere of co-operative trade. Discriminatory practices undermine that stability in the world situation which is so

necessary to us at the present time. No one will deny the negative consequences and after-effects of the discriminatory practices carried out by certain Western countries with regard to the countries of the East. The national co-operative organisations which are actively struggling against discriminatory practices are right in their approach. In particular, the Congress of the British Co-operative Union dealt with that point. It is clear that the dissatisfaction of British public opinion, and particularly co-operative public opinion, and also the dissatisfaction of certain private enterprises interested in Chinese trade, forced the British Government and certain other Governments to withdraw their objections to trade with China. This is the correct approach.

The overcoming of difficulties which stand in the way of development of international co-operative trade is also connected with the struggle against capitalist monopolies. We must continue to fight for the implementation of the resolution unanimously adopted by the 18th Congress of the I.C.A. in connection with the struggle against capitalist monopolies, because these monopolies are taking over more and more of the economic life of the various countries. An example of action in this sphere has been the action of the Swedish Co-operative Movement, the hospitality of which we are at present enjoying.

In connection with this question of overcoming the difficulties which lie in the way of the development of co-operative trade, we must draw attention to one other element of tremendous importance to many countries, the setting up of the so-called Common Market. We feel that this setting up of the Common Market is of interest first and foremost to the large monopolies who are really completely unconcerned with the true interests of the peoples. We feel – and commonsense prompts us to say it – that those who will benefit from this agreement can only be those countries that have already reached a very high stage of development, and that the less fortunately situated countries can only suffer as a result of the Treaty. We feel that the Alliance should take into consideration the consequences, the after-effects, of the setting up of this Common Market, and the Alliance should inform its members of these serious consequences of the setting up of the Common Market.

The paper also mentions the fact that it is very regrettable that there is no organisation in the United Nations for promoting international co-operative trade, and for international trade in general; if only the Co-operative Movements could insist that their Governments supported proposals for the setting up of an international trade organisation within the framework of the United Nations on the basis of the principles of the Havana Charter. We feel that this problem can be settled only either by the setting up of a new international trade organisation or by the use as a basis of one or more existing international organisations, for instance that of the trade agency of G.A.T.T. We feel that the setting up of such an organisation is of fundamental importance.

The over-all European agreement for co-ordinated action for the economic development of the countries concerned is also important. In the paper you will see that attention is drawn to the fact that the situation which has developed at present opens up new horizons and new possibilities for extending and broadening economic and trade ties. In this connection I should like to appeal to the Congress of the Alliance and to the World Co-operative Movement as a whole to make the fullest use of the present situation with a view to developing the Co-operative Movement.

The paper also refers to various methods of developing international co-operative trade. I feel that we should not adopt one method only and not another. All the nationalities and countries can adopt the methods most suitable for them, but the paper points out that the development of trade directly between national co-operative organisations on a barter basis, short and long term, and the granting of trade credits by one country to another are among the better methods of ensuring development of international co-operative trade. This would make it possible for a national co-operative organisation to develop its exports and satisfy its import needs according to its resources, possibilities and requirements.

We may note that the Co-operative Union of Great Britain called on its co-operative organisations to follow the example of the Scottish Co-operative Wholesale Society with regard to the conclusion of barter agreements. We feel that the Alliance should encourage the adoption of this method, with regard to which we are gaining increasing experience.

The paper emphasises the importance of direct trade relations between agricultural, consumer and producer co-operatives. This point of view has already been supported by many Co-operators throughout the world. Many have spoken about this and have referred to the advantages of these relations between different types of co-operatives. We feel that the time has come to take practical measures in this sphere. We feel, therefore, that the national co-operative organisations and the authorities of the I.C.A. should do everything in their power to take practical measures for the increase of trade between the different types of co-operatives of all countries.

The report and the draft resolution in connection with it both state that international co-operative trade is of particular importance to co-operative organisations in the lesser developed countries, that it would strengthen the development of the Co-operative Movement in those countries and help to raise the well-being and improve the living standards of the peoples of those countries. Much has been said to-day on this problem in connection with the papers submitted this morning and we can express our satisfaction at the fact that such interest has been shown in connection with the assistance to be given to the lesser developed countries.

When trading with the co-operative organisations of the lesser developed countries we face the problem of prices. In co-operative trade with the lesser developed countries we cannot permit or support a relationship which would make it possible for certain groups to exploit the populations of the lesser developed countries by various capitalistic practices.

In the foreign trade relations in *Centrosoyus* there was a certain interruption. In the post-war period, and particularly after 1953, *Centrosoyus* took all the necessary measures for the revival and development of trade relations with all the co-operative organisations of the world. In the last two years our trading relations have been considerably extended with a number of foreign countries, but we feel that all this can only be the beginning of the tremendous effort which has to be made in developing world trade relations on a co-operative basis. That is why a certain part of the paper is devoted to the question of the development of the trading relations of *Centrosoyus* with co-operative organisations in other countries. Let us trade more and let us trade better, because this will be valuable to the Co-operative Movement as a whole.

The paper mentions other types of relations which can exist between the various Co-operative Movements throughout the world, such, for instance, as the exchange of delegations, the convening more frequently of conferences and so on. I feel that more benefit could be derived from such conferences and that such contacts are valuable. We are enriched by such collaboration and such meetings and contacts, and I feel that we increase our own usefulness to our own countrymen.

The paper emphasises the importance also of the organisation of exhibitions, of the exchange of publications, of the exchange of technical documentation and other contacts. We do not mean to say that *Centrosoyus* is doing in this sphere more than any other organisation represented here, but, compared with what *Centrosoyus* did in this connection before, we can say that we have progressed considerably. I feel that it is the duty of all Co-operators to seek to broaden contacts with all other Co-operators and try to acquire wisdom and practical knowledge thereby in order to solve the problems concerning world Co-operation. The draft resolution submitted by the Central Committee for your consideration, therefore, provides for the Congress supporting the exchange of delegations, students, publications and so on. Each national Co-operative Movement, within the limits set by its resources, must do everything possible to strengthen world Co-operative union and its unity and must make its contribution to the collaboration of all countries in the name of peace. The I.C.A. must contribute to this work with all the resources at its disposal. Let us fight for world co-operation, collaboration and unity.

The President: I declare the discussion open, but as we have already 10 speakers on the list, I ask Congress to allow me to close the list of speakers on this subject.

The Congress agreed.

Mr. H. Meins, Germany : There are, of course, many possibilities for direct co-operation, especially for the large wholesale co-operatives, and these contacts should be intensified in every way. We have already achieved many positive results, and I subscribe entirely to the views given in Mr. Klimov's paper in that respect. We are unable, however, to establish collaboration with some other co-operatives. There are many reasons for this. It is partly due to the fact that the consumers have certain habits which we cannot affect quantitatively or qualitatively. In addition to that, we have consumer organisations which are not allowed to work independently of the economic and political conditions of their country. This can result on the international plane in a problem which, as you all know, is very difficult to solve. If, however, we think of the economic collaboration between the Scandinavian countries, the efforts which are being made in Western and Central Europe to establish a common market, and the already-established collaboration in the European Payments Union, we find that much has been achieved.

We want to do all we can for the consumers, and perhaps the co-operative organisations in these countries which are seeking to collaborate should not be subject to Mr. Klimov's criticism. They must do the best they can through

Co-operation on behalf of the consumers. In this integration we see no isolationism and no aggressive intentions towards any other nation or economic unit. These are only partial solutions, but at present this is the best that we can do, and the positive co-operation and collaboration of the consumers is essential, so that we may make a beginning with world co-operation and so that the consumers' organisations can take part in this to some extent.

There are still, however, barriers to free and peaceful collaboration throughout the world. We should devote our energies to these partial solutions, such as the European Payments Union and the Common Market, in order to establish collaboration on as broad a basis as possible. It depends on us whether consumers play an important role in this kind of collaboration, and for us in these countries what we can do for the consumer is always in the forefront of our minds.

We must have full freedom and independence, so that we can always keep the consumers in the foreground, without dependence on any ideological ideas. In the collaboration between co-operatives we must agree that we shall always have problems, especially when we have to deal with co-operatives which are tied to the State and which have no freedom to criticise.

I must state, therefore, that the German delegation is not in a position to agree with Mr. Klimov's conclusion. We see no way of collaboration without the partial solutions which I have mentioned. In Paris we took up the same question and studied it and came to a decision which I think takes us part of the way to an effective solution, for the effective collaboration between some nations, and we should stand by that decision; but that does not mean that we are not ready to collaborate with all countries.

Mr. S. Nakabayashi, Japan : The Japanese Consumers' Co-operative Union willingly supports the paper and resolution on international co-operative trade presented by Mr. Klimov. From our own experience, successful barter trade, with the import of lumber and coal from *Centrosoyus* and the export of cotton, wool and rayon cloth from our Union in 1956-57, has had the most favourable influence on friendly relations between both organisations. In addition, we have sent to the Swedish Co-operators some samples and catalogues, especially of silk, and materials showing the life of the silkworm. These are famous Japanese products made by agricultural Co-operators. Last June the research officer for Co-operation of the United States Government visited us and spoke of the possibility of co-operative trade between the U.S.A. and Japan and showed keen interest in the handicrafts produced by co-operative women's guilds. We expect to be able to reach some agreement on such trade also. We hope to have consultations on the possibilities and methods of trade with other co-operative trading organisations in other countries. Our Co-operators, who are working in very hard conditions caused by the pressure of Japanese monopolies, have been given new hope and courage by the possibilities of such international co-operative trade.

Next, we understand and support the principle appealed to by Mr. Klimov, that the spirit of peaceful co-existence should be affirmed by all the Co-operators of the world, because without world peace we can never attain our purpose, based on the principles of Rochdale. To exclude all unfavourable restrictions on international trade, the general meeting of our Union held in June of this year unanimously resolved to make efforts to abolish all discrimination caused by COCOM and CHINCOM.

Thirdly, we agree with what is said in this paper, that for an expansion of international co-operative trade with organisations in the less developed countries careful consideration should be given by the I.C.A. to constructive proposals. The increase and development of co-operative trade with organisations in the less developed countries would have a favourable influence on the movement towards independence and development in those countries.

Lastly, on the other types of international contact, in addition to trade, we agree with what is said in the resolution. In particular, the exchange of missions or Co-operators should take place as much as possible to promote better mutual understanding.

Mr. A. Korp, Austria: We shall find, if we consider it carefully, that Mr. Klimov's paper consists first of all of about one-third proposals and remarks on co-operative relations between different countries, of about one-third considerations on the world economic position, and finally one-third consists of irrelevant remarks which serve propagandist purposes only. If to-day Mr. Klimov had given us a purely objective introduction it would not have been difficult for me to consider it objectively, but his last third is something to which I can pay no attention.

At the Paris Congress, Mr. Roos made a number of good proposals for co-operation between the co-operatives of different countries, and his proposals can still be considered as a model and as providing a complete range of proposals which we should take into account. Mr. Klimov, perhaps, could not give us such a good list of proposals, because there have been no developments since the Paris Congress on the programme of Mr. Roos, and there has been no need to revise it, but Mr. Klimov has made one new proposal, regarding the barter form of trade between different countries, which he recommends. On behalf of the Austrian delegation I should like to say that we can understand the reason for this if the head of an over-large co-operative enterprise is trying to find an outlet for his surplus production in a co-operative organisation in another country; but a whole co-operative system of trade, in our opinion, can hardly be built up on a basis of barter. That would mean going backwards rather than forwards.

Paragraph 3 of the decisions in the resolution reads :

“To approve the activity of the National Co-operative Organisations in the widening of barter transactions directly between National Co-operative Organisations, mutual credits granted.”

We can conclude that *Centrosoyus* and Mr. Klimov attach special importance to this point. We must say, however, with regard to this point, that the admirable expansion of European economy since the end of the war is due very largely indeed to the fact that bilateral agreements have been superseded by a new system of multilateral payments. By means of the European Payments Union, O.E.E.C., the International Bank and other organs, this has been achieved to a very large extent.

We must have multilateral agreements in order to eliminate trade barriers. We must eliminate State influence in many cases. We must also try to eliminate the hindrances to multilateral currency transactions. It would be a retrograde step to have only barter trade agreements. We think that the future will depend greatly on the elimination of the trade barriers which still exist in many cases, and

especially in trade with the eastern popular democracies. We want to learn to walk without the aid of these crutches; we want to have a healthy economy and healthy economic relations between our countries.

Stockholm is the right place in which to remind ourselves of the work of Professor Gunnar Myrdal, Executive Secretary, Economic Commission for Europe, which has been very active in trying to bring about a clearing-house for trade between East and West. If there has been no success in this it was not due to lack of interest on the part of the Western European countries; the main reason is to be found in the fact that the popular democracies, on account of the special structure of their economy, have not been able to establish any organs which can assist in the establishment of trade relations on a broad basis. So long as that is so, all attempts to do so, even when they are made with the greatest good will, will be doomed to failure.

It would be useful to consider the immensity of the problems involved. In the section of his paper headed "For development of International Economic Co-operation," Mr. Klimov gives us in the first paragraph a figure of \$190 milliard for the turnover of international trade in 1956, but he has left out the figures for the peoples' democracies. Mr. Albin Johansson has taken the trouble to give in his paper a review of the present dimensions of international trade, but he is not in a position to give us the figures for the people's democracies. We should be very grateful to Mr. Klimov if he would make some additions to his paper in this respect.

I wish to say a few words on Mr. Klimov's proposal for a world trade organisation. Allow me to say that at the present time such an attempt would be an attempt to take the tail from the horse. It would arouse much misunderstanding, since we have gone so far in the regional field in Western Europe, in Scandinavia and perhaps in the future in Eastern Asia. The Austrian delegation is therefore not in a position to agree to the resolution in its present form. We approve of all efforts to intensify trade between East and West, but we ought not to have any illusions about present possibilities or about the real reasons for the present unsatisfactory position.

Mr. Mateesco, Rumania: The question of the development of world co-operative trade has been considered in great detail in Mr. Klimov's paper, and is very necessary for all national co-operative movements, in the first place because co-operatives have a duty to satisfy the requirements of the consumers and also because this trade will ensure continuous production in co-operative productive organisations and the ability to export the goods which they produce. Moreover, international co-operative trade will make it possible to strengthen friendly ties and unity between the co-operative organisations of the whole world. The extension and development of world co-operative trade would also contribute to the development of the Co-operative Movement and raise the standard of living of the peoples of the lesser developed countries.

It is well known that the development of international trade is faced with serious obstacles in many countries, and therefore the national co-operative organisations must ensure that their Governments modify the legislation which still constitutes a barrier to such trade. If we had an international trade organisation it would help to do away with the barriers, or at any rate to reduce them considerably. We feel, therefore, that the proposal made by Mr. Klimov in his paper,

that the Co-operative Movements should urge their Governments to support the idea of setting up an international trade organisation within the framework of the United Nations, would be extremely valuable for the development of international trade, and particularly of international co-operative trade. Such trade could develop most satisfactorily if such restrictions as exist were done away with. It is essential to promote trade between all countries, irrespective of their social and political structure or the state of their economic development.

We know that co-operative trade exchanges are extremely important, and we feel that, together with the development of international co-operative trade, we should also extend contacts and relations between the various co-operative organisations of different countries. We want to know more about the results achieved by other co-operative organisations, and we should be able to do this by exchanging delegations. Having regard to currency difficulties, we feel that such exchanges could be carried out on the basis of mutual hospitality. We feel that such exchanges can make a valuable contribution to improving the work of co-operative organisations by enabling them to share valuable experience with other organisations and giving them ideas from the technical point of view.

Taking into account all these considerations, and wishing to emphasise the necessity to develop international co-operative trade, the Rumanian delegation is glad to support the resolution appended to Mr. Klimov's paper and will vote for its adoption.

Dr. M. Bonow, Sweden: Mr. Klimov's paper is, according to its title, intended to deal with and examine the possibilities of increased international co-operative trade. In recent years this problem has been examined by Mr. Albin Johansson at the Prague Congress and by Mr. Roos in the very important paper which he presented to the Paris Congress. The discussion on these papers and the resolutions associated with them show very clearly the lines which the I.C.A. intends to take in this question. In comparison with these very important documents and the Congress decisions taken in connection with their presentation, I do not think that Mr. Klimov's paper presents any new point of view, and I agree in this respect with what Mr. Korp said.

It is instead, in my opinion, because of Mr. Klimov's attack on the efforts to create the European Common Market, an unmistakable step backwards in this respect. In his paper he states that the proposed organisation of the Common Market "will undoubtedly cause great damage to the cause of development of international trade in general, and of international co-operative trade in particular." This is, to say the least, an astonishing statement. There is not a shred of evidence which could be brought forward to support this accusation. Mr. Klimov's general attack on regional economic collaboration is applicable to the same extent to the European Free Trade Zone which is now contemplated and to the Scandinavian Common Market and other, similar regional agreements.

It is very strange indeed that Mr. Klimov simultaneously condemns the European Common Market and recommends all-European economic co-operation, while the resolution also recommends the establishment of a universal international trade organisation along the lines which originally were drawn up at the Havana Conference, and which is the principle incorporated in GATT. I wish to remind those of you who were present at the Prague Congress in 1948 that the delegates there of *Centrosoyuz*, and especially Mr. Sidorov and Mr. Klimov himself, had no

words strong enough to criticise the I.T.O. Charter and the Marshall Plan. This Plan was in reality a great constructive effort to save Western Europe from economic and political chaos. From this successful collaboration the O.E.E.C. emerged, which in its turn made it possible gradually to create multilateral agreements on international trade and payments. This development has been of the utmost importance for the recovery of the economic life of Western Europe.

It seems a little strange that Mr. Klimov strongly condemns regional economic collaboration in Europe but suddenly asks for an international trade organisation. Experience has shown, as Mr. Korp pointed out, that we cannot reach this goal at once, but have to start by building up regional agreements, so that it is neither a logical nor a practical policy to condemn the different regional efforts which are being made to increase international trade. Provision is in fact made in the I.T.O. Charter and in GATT for regional agreements of this type.

Mr. Klimov so far as I am able to judge, has inserted the paragraph from which I have just quoted since the first draft of his paper, which we had an opportunity to see at an earlier stage. The condemnation of the European Common Market now contained in his paper makes it, in my view, impossible to accept the resolution in its present wording, because to do so might be interpreted later as if the Congress, by endorsing Mr. Klimov's resolution, implicitly accepted the condemnation of regional economic collaboration in Europe. In other respects I think that the resolution is satisfactory, but if the resolution is to be accepted, after Mr. Klimov's recent addition to his paper, it seems essential to make it clear that this Congress, instead of condemning regional economic collaboration in Europe, welcomes such action as a method of increasing world trade. I wish, therefore, to propose that the following addition be made to the resolution to cover this point :

“ The Congress welcomes at the same time the efforts now being made to create regional economic collaboration in Europe and in other parts of the world, aiming at increasing world trade.”

On the question of where this should be inserted, I suggest that it should come after para. 2 of the decisions.

I hope that this will be acceptable to Mr. Klimov. Should this not be the case, I am sorry to say that his attack on the European Common Market makes it necessary for me to make an alternative proposal. If this addition is not accepted by Mr. Klimov, I propose that the whole resolution be referred back to the Executive for further consideration.

Mr. V. Grazia, Lega Nazionale, Italy: The broad and most interesting paper presented here by the President of *Centrosoyus*, and the resolution submitted to us, are of great interest to this Congress. We must be grateful to Mr. Klimov for giving us lines of study and experience which can be of value in enlarging economic and commercial relations between the various national co-operative organisations on the basis of mutual help by an exchange of co-operative productions and an increase in co-operative trade.

Mr. Klimov states in his paper – and I agree with him – that trade between national co-operative organisations is the most important kind of international co-operative trade and has the most concrete advantages, in that it gives the national organisations the possibility to develop their exports directly and to import according to their needs and possibilities.

I wish to say briefly how, in my view, international co-operative trade assists the realisation of one of the deepest co-operative aims, namely of being of benefit to those co-operative societies which have grown up under the pressure of vital necessity by the sacrifices of their members, but which suffer from a shortage of the capital necessary for the provision of equipment. It is to such co-operatives that the attention and interest of this Congress has been attracted, and it is one of the noblest objectives of the policy laid down by the I.C.A., and particularly by our President, that particular attention should be given to such co-operatives when we are concerned about international co-operative trade. In my view, these co-operatives need special assistance from the Auxiliary Committee of the I.C.A. for Wholesale Trade. I think that this Committee should undertake concrete action to establish permanent links to help to extend the production and trade of these co-operatives.

I have in mind, for instance, the wholesale organisation established by the Northern countries, which have strong distributive organisations and occupy a most advanced position in consumers' Co-operation. I have in mind the principles of co-operative solidarity laid down by Gide, which go much further than national interest and assume a common responsibility for all real Co-operators all over the world. By setting up co-operative societies for workers, artisans and farmers, and for processing, men take a step further along the road away from want and towards a raising of social standards; but it often happens, in our own and in other countries, that when the members of these societies seek to dispose of the products which are the result of their hard work they find themselves unable to sell those goods profitably and are obliged to sell them to speculative enterprises which impose their own price. I can give as an example our own farmers' co-operatives for the collection and sale of fruit and vegetables. It often happens that the products of these co-operatives remain in our country unsold, and the members are obliged to destroy them and lose their expected income.

This shows clearly the serious limitations to co-operative development under capitalist exploitation, as shown by Professor de Brouckère at the Zurich Congress. Mr. Klimov's paper shows the causes of this situation and calls the attention of the Congress to them. The I.C.A. has at the present time the capacity and the prestige to make a serious contribution to international co-operative marketing on a basis of solidarity, and in this way international trade can become the basis for the further development of Co-operation throughout the world. I believe that the proposals contained in the resolution before us form the basis for a powerful development of co-operative trade, and I trust that Congress will adopt the resolution.

Mr. E. Groes, Denmark : I think that there cannot very well be in this Congress any difference of opinion about the importance of the subject which we are discussing – an increase in international co-operative trade – but at an earlier stage doubts have been raised concerning the fruitfulness of discussing international co-operative trade in general terms and passing resolutions on the subject. I must confess that I understand those doubts, and perhaps it would be difficult to prove statistically that trade has actually been increased as a result of such discussions. Nevertheless I am grateful that we are giving up some of our time at the Congress here in Stockholm, just as we did at the Congress in Paris, to discuss this important question. I think that there is a chance that by so doing we may stimulate a favourable atmosphere and provide a favourable background for personal contacts and give encouragement which may prove valuable later.

The practical work with regard to exchange of experience, information and so on will then have to be carried on in the Auxiliaries, such as the Co-operative Wholesale Committee, about which, I would remark in passing, Mr. Klimov writes a little sceptically, even though he says that there is no reason so far to be against it. I am in complete agreement with the President when he says that the Auxiliaries are now doing really good work and are of increasing importance both for the member organisations and for the I.C.A. I have not the least doubt that we shall be able to give the same favourable testimony to the Wholesale Committee when it has had a reasonable time in which to prove its usefulness.

I think you can understand, from what I have said up to now, that I can agree with the general trend of Mr. Klimov's paper, as I understand it. I understand this trend to be the underlining of the paramount importance of international co-operative trade and urging us to do all we can to increase it. I think that it is only fair to add also that in practice Mr. Klimov himself has done all that is in his power to increase trade between his own organisation, *Centrosoyuz*, and our national organisations.

There are, however, several points on which I must disagree with Mr. Klimov's paper. The most important one, of course, is that on which my friend Dr. Bonow has commented, the statement in which comments are made on the European Common Market in a most unfavourable way. We shall not discuss to-day the different plans for common markets in Europe, whether they be Scandinavian, Continental or British. In passing, I may tell you that my own country has not yet decided whether or not it will join in these projects. I fail to understand, however, why to create or to join in such a free trade union should be to disregard the interests of all-European economic co-operation, as Mr. Klimov puts it. For example, how can the Scandinavian common market, where all duties and all trade restrictions amongst the Scandinavian countries are abolished, be a threat to international trade, co-operative or non-co-operative? I am at a loss to understand it. It is the abolition of existing trade restrictions which Mr. Klimov demands in his resolution, and it is hardly possible to imagine a more penetrating abolition of restrictions among the countries concerned than is proposed in some of the common market projects before us. I want to make it clear that the delegation of my country can by no means accept such a statement about the plans for common markets.

Another though less important point with which I disagree is the recommendation on barter transactions, para. 3 of the resolution. Dr. Bonow has dealt with this question. Barter terms of trade may be a necessary alternative to no trade at all, but they are a ponderous machine for the purpose. The ultimate aim must be a constant flow of trade not linked up with periodical barter contracts; we must have, as Dr. Bonow put it, a multilateral system.

Thirdly, I can hardly see the value of para. 2(b) of the resolution, urging our Governments to create a universal international trade organisation as a specialised agency of the United Nations. It is difficult for me to join in the belief that such a new institution will be of considerable help in the matter which we are studying now. I prefer to support, and if possible enlarge, the already existing international collaboration inside the framework of GATT.

I now return to a point on which I am in complete agreement with Mr. Klimov, and that is where he lays special emphasis upon the expansion of co-operative

trade with the economically lesser developed countries. This very important question, about which we have said so much to-day, has for some time occupied the attention of the leaders of the Scandinavian Co-operative Wholesale Society. Our General Manager, Mr. Efhholm, last year visited several places in Asia – Bangkok, Singapore, Rangoon, Djakarta and Colombo – to investigate the possibilities of direct trade between the co-operative organisations of those countries and the Scandinavian Wholesale, which is a joint buying agency for all the Scandinavian Co-operative Wholesales and deals especially with overseas products. Such connections may not be without interest for the organisations in these Asian countries. The Board of the Scandinavian Co-operative Wholesale Society has asked me to tell you that we have asked the Chairman of our Board, Dr. Johansson, together with a couple of experts, to undertake a journey to these Asian countries to follow up and enlarge upon the contacts already made and the results already obtained by our General Manager. The purpose of the journey will be not only immediate commercial results but also to place at the disposal of our co-operative friends in the countries referred to any assistance and commercial “know-how” which it is in our power to give them.

Dr. Albin Johansson has, in spite of his other engagements, acceded to our wish, and we hope that this journey will become a reality in the near future. We have no doubt that with the background of the quite outstanding results which Dr. Albin Johansson has achieved in his home country, as well as in the international co-operative sphere, this visit by the President of the Scandinavian Co-operative Wholesale Society will be received with keen interest and eager expectation.

Mr. J. Podlipny, Czechoslovakia: I wish to thank our friend Mr. Klimov on behalf of the Czechoslovak delegation for his paper, because it very suitably supplements and analyses some points regarding international co-operative trade and international co-operative collaboration which have already for a considerable time been amongst the topical items in the discussions of individual bodies of the Alliance. None of us doubts the necessity of developing international co-operative trading contacts and other relations for the purpose of securing the further prosperity of Co-operation. No one can doubt that such contacts bring benefit to all rank-and-file Co-operators, promote understanding among nations and help the cause of peace.

The practical measures which have been taken in this direction, however, have in the past been only on the initiative of individual co-operatives and individual national unions, without being co-ordinated or channelled by the Alliance itself. We believe that the I.C.A. should devote more attention to, and that individual national organisations should be more systematically reminded of, the possibilities of international co-operative trade. It is especially necessary to overcome the difficulties of the initial stages, which for the time being have been obstructing our way forward in this important activity.

If the Alliance succeeded in bringing about an upsurge of international co-operative trade between well-established movements in countries where they are organisationally and economically quite strong, on the one hand, and on the other hand co-operative organisations in particular in the so-called lesser developed countries; and if such a project were supplemented on a large scale by technical

assistance, then the Alliance would have done some really good work deserving recognition, a piece of work which would be a real contribution to the promotion of Co-operation in the under-developed countries.

The Central Co-operative Council of Czechoslovakia is trying to make the best contribution it possibly can to the success of this great and useful cause, as is shown by the number of commercial negotiations and agreements concluded with other co-operative organisations. We are equally keen to promote international co-operative collaboration in the exchange of scientific and technical experience, and by the exchange of study groups and parties of Co-operators, with the idea of getting mutually acquainted with the operation and organisation of our movements. In the first half of 1957 alone we sent abroad 70 co-operative delegations, while during the same period we received in Czechoslovakia 56 delegations.

Every attention should also be given to the proposal to set up a world-wide trade organisation operating within the United Nations. If the establishment of such an organisation materialises and if it operates successfully it will mean a valuable contribution to ensuring the economic consolidation of individual national co-operative movements. It will be right for us, therefore, to support the idea of an appeal to the Governments of our individual countries in this respect.

Finally, I wish to say that the Czechoslovak delegation welcomes the paper presented by Mr. Klimov and fully supports the resolution.

Mr. P. Takov, Bulgaria: We must all be grateful to Mr. Klimov for having taken up and considered a number of very important aspects of the development of international co-operative trade. Mr. Klimov is right when he says that the organisations are as yet not sufficiently energetic, and that more has to be done. We Co-operators of the various countries do not yet know each other well enough, because we have only one organisation where we are in contact with each other. We would know more about each other if we established permanent business contacts with each other, and then we should be on the road towards doing away with various prejudices and wrong ideas which we may still have about each other.

Another important point in Mr. Klimov's paper, is that dealing with mutual aid between national co-operative movements, based, of course, on equality of terms and mutual respect. Mutual aid of the co-operative organisations in the international sphere is extremely important, not only for the development of co-operative trade but also for developing the economic situation, if we can all contribute to the task of breaking down barriers, and particularly the barriers which exist between the more developed countries and the less developed countries. There is also the obstacle constituted by currency difficulties. I feel that this difficulty can be overcome by barter trade and agreements between different countries. *Centrosoyuz* has done good work in this sphere. We feel that Mr. Klimov is correct when he says in this paper that such barter agreements would be a valuable contribution.

The Alliance must do everything it can to achieve unity and to bring the co-operatives of all the world and the peoples of all the world closer together. I regret that nevertheless there is still not enough goodwill and not enough determination shown in achieving unity. I feel that we should be frank in stretching out our hands to each other and that history has taught us some lessons. The questions which have been touched on by Mr. Klimov deserve our closest attention. We fully support his remarks in the name of peace, well-being and unity

Mr. W. Serwy, Belgium : The Belgian delegation was somewhat disappointed by the resolution presented by Mr. Klimov. The first paragraph recommends us to "take all possible constructive measures in order to increase the volume of trade between co-operatives of all kinds of various nations." We in Belgium feel that that is the resolution of the Paris Congress, which referred only to consumer' co-operatives. Only three years ago we took measures to put it into effect, and I feel that we shall be biting off more than we can chew if we try to extend co-operative trade between co-operatives of all types.

We are more concerned about para. 2, which recommends national co-operative organisations to demand from their Governments the diminishing or the abolition of existing restrictions in the domain of international trade. The countries which have embarked on the project of the Common Market are already well on the way to this, and I do not think that it is necessary to labour this point.

I should like to say a few words about the Common Market. The agreement which is at present before the Governments, and which will probably be ratified before the end of the year, involves methods and principles which are very close to those of our Co-operative Movement. In the Common Market we aim at raising the living standards of the population. Admission to the Common Market is on a voluntary basis and not compulsory. We abide by the principle of the open door; other countries may join the Common Market which is being formed on the initiative of the six countries. Our principles, therefore, are very close to those of the Co-operative Movement, and democracy is also respected, in that the representatives are designated by Parliaments. I feel, therefore, that the Co-operative Movement need have no concern about the Common Market.

Further, the Common Market will make it possible for the consumer to be represented and to have his interests presented. The Common Market, which will start next year, will make it necessary for some of the participants to make sacrifices, and in the Co-operative Movement our members have also consented to sacrifices; that has been the force of the Movement.

We also feel that other regional agreements, other regional common markets, will bring us little by little to what Mr. Klimov advocates, a world-wide commercial trading agreement and market, but I feel that we can reach such an objective only gradually and by stages. Mr. Klimov has said that probably some of the countries participating in the Common Market will be victims while others will profit, but what should we do in Belgium if we were unable to export? Moreover, we have already had the experience of Benelux. We have seen that the Benelux venture has given good results. We have published some very interesting figures in connection with the development of Benelux. The figures which we have published provide valuable evidence of the excellent results obtained.

We cannot say exactly what the future of the Common Market may be, but we can say that certain experiments which have been carried out in the meantime, such as Benelux, justify us in going further, and we also feel that compensation transactions, as recommended by Mr. Klimov, are hardly worth while. We at any rate have always tried to establish contact with the co-operative organisations of the Soviet Union and other East European countries, but we always came up against difficulties caused not by our Government or by our organisation but by the Soviet co-operatives, which reserved their exports for certain specific buyers. That will certainly have to change if we are expected to broaden our trade

exchanges with the Soviet Union. We have been disappointed in this connection, and we feel that we cannot vote for the resolution unless Dr. Bonow's amendment is included in it.

The President: The next speaker will be Mr. Efholm, who is the Director of the Scandinavian Wholesale Society.

Mr. Efholm, Denmark: International free trade – what a fascinating field of action, but how difficult! As in the paper on this subject Mr. Klimov has pointed to the Scandinavian C.W.S., I feel inclined to make a few comments on last year's activities in that special field of the Co-operative Movement. As our Vice-President, Dr. Bonow, recently told you, the Scandinavian C.W.S. was established as long ago as 1918 on the initiative of Dr. Albin Johansson. We make purchases for our members; that is to say, for all the co-operative wholesale societies in Sweden, Norway, Finland, Denmark and Iceland. Our object is to obtain economic advantages for our members by making such joint concentrated purchases, principally of foodstuffs such as grain, coffee, tea, fresh fruits, dried fruits, spices and so on. Last year our turnover was about £50 million, and we had import transactions with about 60 countries spread all over the globe. We have our headquarters in Copenhagen and a branch office in London, but two years ago we set up a new small branch office in Valentia, and last year another in Brazil, in the coffee country at Santos, in order to be more competitive in the Scandinavian coffee market. I say this because we know from experience in that field that the keen competition of to-day makes it more and more useful to have permanent representatives abroad in the different countries, and especially in the most important trading centres, and in that way it is possible to follow the old and good co-operative tradition of establishing the most direct connection with the producing or exporting sources that is possible.

I am a little proud – I cannot help it – to say that the good results obtained year by year for nearly 40 years by the Scandinavian Co-operative Wholesale Society are mainly to be ascribed to the level of economy and the sense of responsibility towards collaboration on the part of our member organisations. Very often we have had inquiries from abroad about whether it was possible for us to supply goods of Scandinavian origin, or some other overseas goods, to co-operative wholesale societies outside Scandinavia, but according to our rules and the whole legal structure of the Scandinavian C.W.S. we can supply goods only to our members, so that on each occasion we have had to give a negative reply.

It may be appropriate, however, to take this opportunity to mention that since the last Congress of the I.C.A., at Paris, a new co-operative body in the field of international trade has been formed by us, namely Scandinavian Co-operative Exports, or more simply Scandinavian C.E. One of the basic ideas of establishing this new body is to utilise the goodwill which the Scandinavian C.W.S. has obtained over so many years in foreign markets as a big importer. This new organisation has several aims. One is, of course, to find outlets, and preferably new outlets, for Scandinavian co-operative manufactures: hence the name; but another and perhaps even more important and interesting aim is to act as a channel for imported goods to be offered to other European co-operative wholesale societies. In fact, thanks to its very close relation to the commercial activities of the Scandinavian C.W.S., through day-to-day management and in other ways, this new body

may be able to offer quite a range of important items in foodstuffs from the same exporting or producing sources as those supplying the same goods to the Scandinavian co-operative market through the old Scandinavian C.W.S.

The results obtained so far are definitely encouraging, even though modest as yet. The fact that the Scandinavian C.E. is to-day able to handle export goods implies positive and concrete possibilities finally to realise, step by step, the old desire to establish European co-operative joint purchasing. In the present state of affairs in this field it is a great help to obtain quick and practical results with a minimum of committees and paper work and a maximum of expert knowledge and action. International co-operative trade - how fascinating but likewise how difficult ! But do not let us hesitate; let us go on.

Mr. H. E. Campbell, Great Britain : On a point of order, may I ask whether or not Standing Order 4 has been suspended ? If not, at what time will Congress adjourn to-day ?

The President: We shall have to close the Conference just one minute later, because of that interruption !

Dr. R. A. Rennie, U.S.A. : We have several reservations to make on Mr. Klimov's paper. Here in this Congress we are all agreed on the need to promote international co-operative trade. We in the United States believe that this goal can best be achieved through a system of free multilateral trade and exchange in accordance with the general principles of GATT. Such a system will best serve the interests of co-operative members; it will maximise the flow of goods and services between our countries and permit our co-operative societies to buy in markets where they can get the best advantage. We in the United States delegation are committed to this principle.

There are four specific points in Mr. Klimov's paper which we think must be discussed in detail. The paragraph devoted to the Common Market agreement is in our opinion the most erroneous part of the paper. Undoubtedly there will be serious and troublesome problems of transition, but in the long run we believe that the Common Market is a positive step forward in promoting international trade and securing world peace.

Secondly, the paper mentions the military goods exported by the United States. This comes into the category of propaganda. We find no mention of the weapons of oppression which crossed the borders of Hungary from the U.S.S.R., and we also find no mention of the arms exported to Egypt and Syria by the U.S.S.R. Such export of war material to raise international tension is pernicious and a dangerous threat to peace.

Thirdly, the rigid system of barter transactions and mutual credits proposed by Mr. Klimov violates the principle of free multilateral trade. Many of you have had tragic experience of these things at national level and know the unhappy results. You are frequently paid for your exports with inferior goods which you cannot use. The practical problems of barter exchange are multiplied in the case of co-operative societies, and instead of promoting greater co-operative trade it may lead to discrimination against other national co-operatives and result in bad relations.

Our friends in the lesser developed countries should be concerned about this proposal for barter transactions. Past experience shows us that the less powerful partners in these barter transactions are generally the losers and suffer serious harm.

Fourthly and finally, we note Mr. Klimov's remarks on the role of co-operative trade in limiting the spread of private business monopolies. This is true. In the United States, our voluntary, free co-operatives have made much progress in the fields of agricultural marketing and supplies, insurance business, and, to some extent, petroleum. In insurance, we have reduced the price of motor insurance by as much as 40 per cent. On the other hand, we wonder what our friends in the U.S.S.R. have done to limit the power of Government monopolies in the economic field. We feel that the dangers of Government economic monopolies can be just as harmful to the welfare of consumers as can private business monopolies. We feel that free, voluntary and democratic co-operative societies cannot survive when economic power is concentrated in the hands of the State.

We agree with Dr. Bonow as far as he goes, but, in view of the other defects in this resolution, we do not think that he went far enough. We feel that this resolution should be rejected by this Congress.

The President: There is one more speaker on my list, Mr. Southern, and after that we have Mr. Klimov's reply. We may be able to finish a little before six o'clock, if you agree to go on.

Mr. R. Southern, Great Britain: I think it very unfortunate that this debate should be continuing to such a late hour, but I shall deal with the points which I had it in mind to make. They have a bearing on Mr. Klimov's paper, on the Central Committee's resolution thereon, and upon procedure.

In the first place, I would point out that there is a serious inconsistency between Mr. Klimov's written paper and the Central Committee's resolution which is before this Congress. In the paper, and in the course of his remarks, Mr. Klimov criticised the idea of the Common Market amongst certain European countries, and indirectly criticised any progress towards the lowering and removal of tariff barriers. I want to say that the British Co-operative Movement has carefully studied these developments, and at the moment we are inclined to agree in principle that they are both progressive and sound.

I would also point out that there is here an inconsistency between Soviet propaganda over many years and the present attitude of Mr. Klimov and *Centrosoyus*. If living costs are to be reduced, then the lowering of tariffs is one useful step in that direction, and anything that is done to remove the obstacles to trade between countries must have a beneficial effect on the well being of the general populations of those countries. That is the traditional co-operative attitude of the British movement, and it is the traditional attitude of the I.C.A. Now Mr. Klimov, unfortunately, asks us to support the idea that we must regard the Common Market as another opportunity for monopoly exploitation. I should prefer to regard it as an opportunity for increasing international trade, and, within the general scope of that conception, increasing co-operative trade between the national movements embraced in these areas.

Mr. Klimov dealt with this matter in his paper and in his speech, but I would remind Congress that what is before us is not the paper, which is a personal document, but the resolution, which is the Central Committee resolution which Congress is asked to adopt. In that resolution we have this very clear and categorical statement, that Congress should recommend to national co-operative organisations –

“that they should demand from their Governments the diminishing or the abolition of existing restrictions in the domain of international trade.”

Surely these Common Market and Free Trade Area developments are exactly in line with the text of this resolution, which carefully reflects the attitude of the Central Committee and is recommended for adoption by Congress.

It has been suggested that this resolution should be amended. I would express the opinion to you in particular, Mr. President, that it would be inappropriate at this stage to contemplate any amendment of the resolution. In the first place, whilst I would agree with the amendment in substance, and there is no difference of opinion there between Dr. Bonow and myself, I would point out that its introduction may be a tremendous personal embarrassment to Mr. Klimov himself and that it would be entirely unfair to him as the author of the paper.

The introduction of an amendment would also be unfair to this Congress, because we are entitled to have proper notice of what business is before us for transaction. We have here a resolution published many weeks ago, and any amendment thereto should have been in the hands of the General Secretary four weeks ago. It is quite improper in the course of a Congress debate to propose oral amendments of which we have had no previous notice and no chance of considering, and on which we have had no opportunity to consult the members of our delegations. That procedure is totally unfair to Congress, and it is improper and inconsistent with the Rules and Standing Orders.

I make this submission on grounds of correct procedure, to avoid misunderstanding and, in a case such as this, possibly to avoid a chaotic situation. Let us keep to our proper procedure and deal with our business in a businesslike way. The business before us now is the text of this resolution as published and considered and decided on already by the members of the national delegations.

The President: I should like to say that it is perfectly proper for amendments to be presented in the course of the discussion. It is stated in the Standing Orders that when more than one motion or amendment is submitted for discussion they shall be referred to the Congress Committee to co-ordinate them, and this shows that in the course of the discussion amendments may be presented. Further, you put us in an embarrassing situation, because if there were no amendment our friends would not be able to approve the resolution of the Central Committee, because it would look as though they were approving the paper, and in particular the part which is objectionable to them, dealing with the Common Market. Either Mr. Klimov accepts the modification to the resolution or he does not accept it. If he does not accept it, we will put the motion to the vote, and there may be a negative vote. That is the difficulty.

I now call on Mr. Klimov to reply to the discussion.

Mr. Klimov, U.S.S.R. : There are two things here. The first is the paper. I am personally responsible for the contents of the paper. The paper contains my personal views. The resolution is a different matter. It is not my resolution; it is a resolution of the Central Committee. The resolution which I submitted in connection with my paper at the meeting of the Central Committee was differently worded. A number of delegations in the Central Committee objected to my resolution, and the Central Committee adopted a resolution which it recommended for submission to Congress. I, as rapporteur, cannot now change that resolution, which is a resolution submitted by the Central Committee, and I do not think that Dr. Bonow can change it either, since it is a resolution submitted and recommended by the Central Committee. That is the first point which I wish to make.

Secondly, is there anything in the resolution concerning the Common Market? The resolution which the Central Committee suggest that you should adopt makes no mention of the Common Market, for or against. The Common Market is not mentioned in the resolution; there is neither an unfavourable nor any other approach. There is no need, therefore, for any amendment. There are obviously different opinions on this problem. It is too early to know what the effect of the Common Market will be; Mr. Serwy has said so himself. I repeat, however, that the resolution before you makes no mention whatever of the Common Market. Please read it; if you read the four points, you will agree that the Common Market is not mentioned.

In the resolution, the Central Committee did not take into account my personal point of view and did not introduce it into the resolution. If some of you fear that my personal views on the Common Market are included in the resolution, I would say that that view was mentioned by me to-day only to ask the Central Committee to keep an eye on the development of the Common Market. I did not wish to make any proposal with regard to it to Congress or to ask you to say that you were against it. I know that I shall never have your general support on that, and I never suggested that that should be included in the resolution; I merely expressed my personal opinion. If you do not agree that the Central Committee should keep an eye on the Common Market, I do not insist: we may agree on the fact that the six countries concerned are setting up a secretariat to keep an eye on the Common Market. I do not insist on my proposal; I am prepared to agree with the *status quo*, with the position as it now exists. I feel that there is no need for me to say more about my personal views on the Common Market.

It is suggested that compensation transactions are opposed to multilateral transactions. That is not true. This does not mean that compensation transactions must replace multilateral transactions, but I do not feel that we should include in this resolution what we have said in previous resolutions. I made no proposal that compensation transactions should replace multilateral transactions.

I may not have understood Mr. Groes correctly, but I certainly do not disapprove of the Wholesale Committee. In my paper I say that it is not possible to define now what will be the practical results of the activities of this Committee, and that the future activity of the Committee will show this. I say that there is no reason so far to be against the establishment of the Committee. That is what I wrote in the paper.

With regard to trade relations with the under-developed countries, what we must do is to buy raw materials from them at honest prices and sell to them the merchandise which they really need, and of high quality. I do not know why we should be afraid of that.

In conclusion, I should like to thank all those who have read my paper for the interest they have shown in it, and again to ask you not to mix up the resolution of the Central Committee with my own personal views on the Common Market. It might be a good plan to set up a sort of drafting committee to consider Dr. Bonow's proposal. We should not hurry over this; it is a very complex matter, and we should try by unanimous decision to find a satisfactory solution.

The President: I should like to make one point clear. When the Central Committee had presented to it the preliminary draft of the paper by Mr. Klimov, The Central Committee asked him to make a certain number of modifications in it, which he accepted. In that preliminary draft there was no mention of the Common Market; that was an addition made after the Central Committee had adopted the text of this resolution. That is the difficulty. It is not a case of incorrect interpretation.

Mr. Klimov's concluding words were that we should not hurry over this, and that another decision might be found which would constitute a solution. The Standing Orders refer to what should be done when two amendments are presented. That is not the case here, but I suggest that we refer this to the Congress Committee. We shall have the view of the Congress Committee before us to-morrow morning, and then we can take the vote. Is there any objection to this procedure? I hear none. That is adopted.

Close of the Sixth Session.

SEVENTH SESSION.

Wednesday, 7th August, 1957.

Co-operation in World Economic Development and Peace

Illness of Dr. Albin Johansson.

The President: I am sorry that we are late in beginning this session, but our friend, Dr. Albin Johansson, for whom we were waiting, is ill. That is the explanation of the delay, for which I wish to apologise. We have just learned that he was taken to hospital during the night, so that his illness is serious. You will realise, therefore, that we are very upset and sad. Nevertheless, we shall discuss his paper this morning. Dr. Kéler is here and has with him the speech which Dr. Johansson intended to make.

Procedure.

The President: I have had a protest from a member of the British delegation who yesterday asked us to abide by the time-table in the Agenda. At the time I did not reply to him and we continued our work, but you will remember that after that I asked you if you wished to continue, and you agreed to do so. We are in a difficult position with regard to the time-table; it is very difficult to keep to it when a number of speakers using a non-official language come to the platform with their own interpreter and therefore require double time.

Standing Order 4 gives the Congress Committee the right to modify its own time-table, but this does not deprive Congress of the right to modify its own time-table, and Congress can insist on an extra half-hour or whatever it may be to finish dealing with a particular point. I am sorry that this explanation was not given yesterday.

Yesterday I proposed that the question of the resolution on Mr. Klimov's paper and the amendment should be referred to the Congress Committee. The Congress Committee met last night and again this morning. Our Soviet friends have a text which they are considering, to see whether or not it is acceptable to them. If it is, we shall be able to take a vote this morning; otherwise the Congress Committee will have to look into the matter again.

The President: I call on Dr. Kéler to read Dr. Albin Johansson's speech.

Co-operation in World Economic Development and Peace

By Dr. h.c. Albin Johansson.

Member of the Central Committee, I.C.A.

One of the principal questions we are asking ourselves when taking up a discussion on co-operative problems in any field is this : What are the objectives we are striving to attain by our activities ? In order to give a correct and exhaustive reply to this question it is necessary to know what the word " we " implies. Do we mean the consumers, the members of the Co-operative Societies, the Co-operative Organisations as such, or the leading personalities within these Organisations ? There should be no dissension of opinion on what is meant by that small word " we." It should be interpreted in no other sense than the consumers, the broad masses of **members** of Co-operative Societies of all kinds and in all countries. The Organisations, the Societies and the Federations, are nothing but the tools of the members ; the leaders, managers and officials are only the servants of the members. They have to see to it that the objectives, on which the members have decided in communion, shall be attained by the appropriate use of the resources at hand of the Organisations.

We, in the sense of the reader of this Report and his audience, are thus agreed that the objective we are struggling to attain is an overall rise of the standard of living of the members : a steadily widening access to the material and cultural amenities of life. If we accept this interpretation it will follow that every contribution made by economic activity that is designed to promote the interests of the consumers, lies within the scope of co-operative objectives. Such contributions are made by State, our community-owned enterprises, as well as by private enterprise. Economic activity cannot escape from serving the consumer interest. The salient point, however, is not **that** economic activities serve the consumers' interests, but **how** they serve them, carried on by one form of enterprise or another. It is the effectiveness of human efforts centred in the various forms of enterprise that is of decisive importance. It is not a question of serving the consumers, but of serving them in the best way. The tool of the consumers, the co-operative form of enterprise, can thus only fulfil its task provided it can serve the members better than, or at least equally as well as, the other forms of enterprise, either publicly owned or private.

Co-operative Integration in Free Enterprise Economic Systems.

The pre-requisite for measuring the effectiveness of the work performed by the various forms of enterprise is incontestably that there shall be opportunities for comparison. Only in those countries where enterprise is free, and the consumers enjoy the right to establish their own enterprises, are such opportunities offered. In countries where all economic activities are monopolised in the hands of the State the consumers are deprived of the right freely to choose their sources of supply ;

they are entirely in the power of the State monopoly. Opportunities for comparison are thus wholly lacking in such countries. If this monopoly delegates some of its functions to something called co-operative enterprise, the conditions remain the same ; the consumers are wholly handed over to the arbitrament of the State. If not only retailing, but also wholesaling and production, are integrated with the State monopoly the simple fact is that consumers' organisations labelled Co-operatives have no physical possibilities to protect the primary consumer interest, that is to take any action whatsoever on their own initiative in order to improve the effectiveness of production and distribution and, by doing so, raise their standard of living. Evidently a Co-operative Society put in such a position only administers the task of a collector of the profits of the State monopoly. It will be transformed into a serf of the State monopoly. If Co-operative Societies should rightly be able to claim the name of Co-operatives it is indispensable that they should have the right, not only of carrying on retailing, but also of integration into wholesaling and production, of raw materials, semi-manufactured and finished goods.

In countries where there is no overall State monopoly for production and distribution but some sectors of the national economy have been handed over to separate State monopolies, for fiscal or other reasons, Co-operative Societies are in the same position with regard to the goods or services allotted to these monopolies. Where, as is usually the case with goods, the monopoly handles production, the Societies only serve as collectors of their revenue.

Co-operative Right of Integration and Private Monopolies.

In all countries where enterprise is reasonably free the Co-operative Movement bears evidence of the important part this right of integration has played in the promotion of the consumers' interests. It has been proved on numerous occasions that there are no insurmountable difficulties in the way where there is an alert Co-operative Movement prepared to make active contributions to the busting of private monopolies. The evidence is, indeed, an overflowing rich one. It can be drawn from the history of the English, Scottish, Danish, Norwegian, German, Swiss, Dutch, and Austrian Co-operative Movements - indeed, from the history of Co-operation in any country where enterprise is reasonably free and thus no obstacles bar the way for the integration of co-operative activities. Starting from local Societies for the distribution of the necessities of life, Co-operation in those countries has been free to proceed to federating into National Wholesales, and these Wholesales to take up industrial production, particularly in those fields where industries of essential importance to the consumers were in the hands of private monopolistic combinations and the local Co-operatives thus had been reduced to the rôle of collectors of their profits.

The Strength of Consumers' Organisations.

The successful outcome of these exploits is nothing to wonder at. If we look at the pattern of the modern market extending over wide territories, even over the whole area of a country, we will find that the strength of the consumers, if properly organised, in most cases is bound to be of decisive importance. The sellers are dependent on the buyers, and the total number of the buyers is much larger than that of those interested in the maintenance of the domination of monopolies,

that is their stock-holders. The buyers have at their disposal an aggregate financial power which largely exceeds that of any monopoly. To a very large extent the domination of monopolies is established on the inertia and lack of enterprise on the part of the consumers. If we assume that all consumers unite and collect only one day's income to establish an enterprise to take up competition with a monopoly, this will in most cases prove sufficient to break its sovereign domination of the market. Consumer Co-operative Organisations which have at their command a considerable part of the buyers' purchasing power the majority is not necessary will, as a rule, not find any overwhelming difficulties in safeguarding the consumers' interest as a whole in a fight against an established monopoly. It is frequently being evidenced that monopoly organisation in economic life - particularly when monopoly enterprises are ageing - is accompanied by unnecessarily high costs. The existence of monopolies is fenced round by all kinds of restraints and edicts in the sphere of **economic power politics** but not by the superior effectiveness of the work performed by them. It is inherent in human nature that it should be so ; where there is no compulsion for effective work both will and capacity to present the best achievements will slacken. Where some people aspire to a secure existence and their share of the best amenities and conveniences in life, monopoly is always an overhanging danger. Such aspirations are most likely to be fulfilled by hedging in their competitors with all kinds of restrictions. By eliminating all pre-requisites for a race on the track of effectiveness, they can then choose their rate of progress at their own discretion.

Former Private Monopolies Serving the Public Good.

What the consumers need is only consciousness of their power when organised. Co-operative Consumers' Organisations, in those countries where enterprise is reasonably free, have produced most convincing evidence of the thorough-going effects of their interventions against monopolies. In Sweden we have had numerous experiences of the dynamic power of Co-operation in this field. By co-operative interventions the autocratic power of a great number of monopolies has been broken, and the productive resources amassed in their economic mechanisms have been harnessed anew to the benefit of the Swedish national economy as a whole. We have been able to state that the general standard of living has increased and the level of prosperity of the country has risen. The inhabitants of our country are enjoying the overall material advancement thus produced whether they are members of Co-operative Societies or not.

In those cases where the Co-operative Movement has intervened against private monopolies in various fields the final result of the interventions has been that the monopolistically organised producers, as a consequence of the competition revived in the line concerned by the co-operative action, have been compelled to reduce their prices ; the price reductions thus brought about have been accompanied by efforts to reduce costs and rationalise the marketing of the products, with the ultimate result that the national volume of production in these lines has shown a remarkable growth due to the expanding demand of the consumers. In some cases such monopolised industries as have been active in the export market at the side of the home market were able to increase their exports. In one word : both the co-operative industries and the private enterprises earlier engaged in monopoly practices have been able to use the brisker demand for expanding their production, as a natural

consequence of the economic law of the inter-relations between price, demand and volume of production and sales.

An Enlightening Example.

The effects of the exercise of the right of Co-operative Organisations to integrate, to develop "backwards" from retailing into wholesaling, from wholesaling into production of finished products, and thence into production of semi-manufactured goods and of raw materials can be demonstrated by a number of concrete examples. Allow me to pick out one most enlightening example.

In Kansas City, U.S.A., some thirty years ago, a Co-operative Society, Consumers' Co-operative Association, was established with the object, *inter alia*, of distributing petrol and other motor oils. The beginning was modest, the Society established a filling station of its own and extended its field of operations by setting up a network of filling stations. It was, however, very soon found that by proceeding in this way the savings made by the consumers amounted only to an insignificant portion of the margin between the price of crude oil and that of the finished products offered for sale. In order to offer a perfectly satisfactory protection to the members it was found necessary to possess oil wells and to establish refineries. The idea of integration won the full support of the members - most of them farmers who could not afford to buy motor oils for their tractors and lorries at artificial prices - and by and by the C.C.A. integrated "backwards" into the refinery and the crude oil production business, expanding all the time. More and more local Co-operatives in the territory joined the original one, and in 1938 the decision was taken by the Association to build a refinery of its own. This exploit was complemented by the acquisition of oil leases and producing oil wells.

At the time of its 25 years' Jubilee, C.C.A. possessed more than 1,000 oil wells in Kansas, Oklahoma, and Texas. Many of them were drilled by its own drilling squads and are connected with the refineries by the Association's own pipe lines. Pipe line operations included 184 miles of trunk lines and 815 miles of gathering lines in the states already mentioned. To-day C.C.A. owns three refineries with a capacity of 37,000 barrels or about 1.5 million gallons a day. The production record for 1956 shows that 11.1 million barrels of crude oil were handled and 5 million barrels of 210 million gallons of gasoline distributed. One of the refineries specialising in lubricants delivered 0.4 million barrels of lubricating oils. Without the right of free enterprise the astounding progress achieved by complete integration in the comparatively short period of the C.C.A. activities would have been impossible and the Association's rôle would have been permanently reduced to that of a profit-collector for the private oil companies that were supplying it at the beginning of its operations.

Greater Freedom in International Trade a Pre-requisite.

There are more examples of this kind in U.S.A. - where other Co-operative Wholesales in various parts of the country have integrated into sales and production of oil - and elsewhere. All of them illustrate the need for full acknowledgement of the right of integration in order to do full justice to the consumers' interest in

satisfactory price and quality of their necessities. It is, however, not enough that the principle of full liberty to Co-operation to expand in open competition with other forms of enterprise should be accepted within the single national units. The right of integration by the joint efforts of consumers should also be accepted and be given all facilities for implementation across the frontiers. Only so can it serve the consumers in the most rational way, "rational" in the real sense of the word. Obviously, the first step to this acceptance is that there are International Organisations of Consumers prepared to raise the claim. This was realised by the American consumers who joined together in C.C.A. and thus the Kansas City Organisation took the initiative for an International Organisation, the **International Co-operative Petroleum Association**. It was the General Manager of C.C.A., **Howard A. Cowden**, who, having expounded the problem, proposed the foundation of such an Organisation already at the I.C.A. Congress in Paris in 1937, although it was only carried into effect nine years later, at the I.C.A. Congress at Zurich in 1946.

The International Co-operative Petroleum Association and Motoring.

Since I.C.P.A. was brought into existence it has been built up, and has expanded, on solid foundations. Its operations are, however, still of comparatively limited dimensions owing to the fact that Co-operative Organisations for the sale of motor oils are only slightly developed in most countries and do not exist at all in others. But motoring is rapidly spreading and motor vehicles are more and more becoming an indispensable means of transport which, to a growing extent, is used not only by the well-to-do but by all categories of the populations. If we look at the number of motor cars in relation to one thousand of the population, U.S.A. holds the first place, followed by Canada, New Zealand, Australia, and Sweden. The relative spread of motor vehicles in the world is indicated by Table A: "Motor Vehicles in the World at the Beginning of 1955," see pages 260 - 262.

These statistics only include motor cars, privately owned or for passenger traffic. From rather incomplete statistics of the total number of motor vehicles in the world, divided between various categories of vehicles, some figures of the total number of motor cycles in some European countries may be quoted: Western Germany, 2,750,000; France, 2,500,000; Italy, 2,180,000; Great Britain, 1,107,000.

It may safely be assumed that most of these motor cycles belong to a group of the population which should be particularly interested in Co-operation as a means of keeping their expenses as low as possible. In the United States, where one in four of the population owns a motor car, probably the majority of the members of Co-operative Societies for the sale of motor oils is made up of owners of private motor cars. In those countries where the number of motor cars per thousand of the population exceeds 10, pre-requisites for the development of Co-operative Petrol-Purchasing Societies should be immediately at hand. As this percentage is being gradually increased the expansion of the membership and operations of these Societies should be safeguarded accordingly. I.C.P.A. has its best contacts with the countries here referred to but has also been in a position to effect sales to Egypt, Yugoslavia, and a number of other countries where motoring is developing.

The International Co-operative Petroleum Association and World Oil Deposits.

The decisive importance of I.C.P.A. to consumers in all countries will appear more clearly when the Association, like C.C.A. and other Co-operative Wholesales in U.S.A. operating in this same field, will have integrated into oil refining and production. At this point the problem of co-operative integration in the international field presents itself with sufficient clarity. By far the major share of the world's crude oil resources are in the hands of the big private or State-sponsored oil companies, and the oil industry in the richest oil deposits, for instance, the Middle East and some parts of South America, is operating on the basis of long-term concessions granted by the Governments of these countries whose oil deposits are thus being developed. Countries granting concessions, as a rule, reserve their rights to sell part of the output, say 10 to 15 per cent, on their own account in the world market. Viewed as a whole, however, production and trade is tied and restricted in this commodity whose importance to modern economic development is sufficiently highlighted by the fact that oil and oil products are now the largest item in international trade. Under present conditions Oil Co-operatives may perhaps be allowed to buy "independent" oil but, in practice, their supplies will be tied up with the big international oil companies, which possess the main oil deposits in the world.

But the situation will be changed as soon as I.C.P.A. will be in a position to extend the range of its activities on the foundation of national oil organisations well organised and equipped for their task to distribute motor and fuel oils. There is already a marked development in this direction and the organisational efforts are making steady progress. Consumers in the big consumer countries are listening to the appeal for co-operation in the field of distribution of motor oils, not only to take care of their own interest as consumers but perhaps, in the first place, because there is a growing consciousness in their ranks that co-operative influence on the international oil industry is bound to be of great importance to World Peace.

This is why I.C.P.A. is looking forward to a time when countries in possession of oil deposits will see that it is to their own advantage to co-operate with I.C.P.A. in its capacity as a world-embracing organisation anchored neither to any particular state nor to any state-owned, state-sponsored or private enterprise. It may take some time before these countries will be clear about this advantage and act accordingly ; but it also may happen that the situation in the world oil market will change suddenly and unexpectedly, and the Consumers' International Organisation will be in a position to pursue its inherent strivings for integration. Governments in the countries concerned are wrong to regard the consumers' international organisation in the oil market as a **quantité négligeable**. In so doing they misjudge the situation as several other monopoly organisations have done in the past when neglecting the consumers' organisations. In fact, even seemingly weak organisations of consumers have proved strong enough to correct by their intervention the abuse by such monopolies of power over price-fixing. If a sufficient part of the world's oil consumers unite to support their international organisation, they will represent a tremendous volume of purchasing power and potential capitalisation.

It should be kept in mind that the big private oil companies have long since practically ceased to raise new capital by issuing shares or raising loans ; the bulk

of the investments of the world's oil industry - a few years ago estimated at 7 billion dollars annually - is financed out of the earnings of the companies, that is from the profits earned on the world's consumers. If the consolidated oil consumers of the world allot only a minor share of what they will be able to earn for themselves to build up and expand their own producing machinery when they are allowed to enter into competition for the production of the raw material, the crude oil, they will certainly be able to accumulate the necessary funds soon enough to become a countervailing power which cannot be disregarded. The capital used by the American Oil Co-operatives to acquire their thousands of oil wells, land-embracing networks of pipe-lines, and their many refineries has, to a great extent, been created in this way. And it should be stressed once more that this accumulation of capital has taken place in a period of thirty years, starting from scratch.

The Rôle of National Oil Associations in Promoting I.C.P.A.

The big international oil companies now holding a dominating position in the world market have extended their integration into all stages of international oil trade and distribution as well. They possess pipe-lines crossing national territories to the shipping ports ; fleets of tankers ; ocean storage plants ; and networks of filling stations in the countries where their products are sold to the ultimate consumers, as well as tankers in coastal traffic and tank cars for railways and heavy road traffic.

National Co-operative Oil Associations will have to organise oil distribution in each country by building an integrated chain from the ocean storage plant to the various retail outlets for all categories of ultimate consumers. This has already been done in U.S.A., and is beginning to be done in other countries. In Sweden the consolidated Co-operative Movement possesses some 40 storage plants with an

aggregate storage capacity of 300,000 cubic metres, 4 tankers with a carrying capacity of 65,000 tons, deadweight tons, and a network of filling stations covering wide areas of the country. Iceland, a small nation but co-operatively developed to beat most other countries in the world, already covers 50 per cent of the country's needs through co-operatively organised channels. The Icelandic Co-operative Wholesale, now the biggest shipowner in the country, includes in its fleet two tankers of together 15,000 to 16,000 tons d.w.

The first problem waiting solution is a practical one : to unite all these National Co-operative Associations in the field of oil distribution by affiliation to the I.C.P.A. ; and in each National Association to unite all the oil consumer interests in the various fields. Oil is not only the concern of motorists and air traffic, it is rapidly becoming the main source of motive power in the world. Oil is used as fuel to heat our dwellings ; for the generation of electric power ; and directly in motors and turbines in industry. If all these oil consuming interests go together they will form a powerful consumers' combine able to take up their joint defence in the world oil market with every prospect of success.

Obstacles to the Development of International Co-operative Trading Organisation.

There are only a few fields in which International Co-operative Organisations within the Alliance are carrying on business operations. At the side of I.C.P.A.

international consumer collaboration has been put into practice between the Co-operative Insurance Societies where a comparatively wide and active international re-insurance business is developing.

The question lies open to discussion why International Co-operation has not been able, by means of its consolidated resources, to embark upon joint business enterprises also in other fields. It might seem that the world-wide extension of the Co-operative Movement, the rapid growth of co-operative activities in almost all countries, and the great importance of the Movement to the national economy in many countries would meet the essential requirements for such exploits. Before the last war the total sales of Co-operative Organisations of all types, consumers' and marketing, were estimated at a total of some 100 billion Swiss gold francs, equalling the aggregate value of international trade at that time.

Exports and imports of the world's Co-operative Organisations, as well as their mutual trade interchange, are very difficult to estimate as a whole. There are huge Agricultural Co-operative Organisations, many of which are not yet affiliated to the International Co-operative Alliance, in Europe, United States, Canada, Australia, New Zealand, and other parts of the world, carrying on export business of imposing dimensions. Importing Co-operative Wholesales, to a considerable extent, buy their produce through private agents and middlemen. In many cases this fact is apt to create difficulties in tracing the co-operative origin of imports. If compared to the import and export figures of the countries represented in the I.C.A. (see Table B, pages 263-264), the actual imports and exports of Co-operative Wholesales in these countries may seem rather insignificant, but it has to be remembered, as just indicated, that they represent, in all probability, only a minor share of International Co-operative Trade in a wider sense.

By the courtesy of a number of Co-operative Wholesales affiliated to the Alliance, it has been possible for the author of this Paper to give at least an illustration in part of the present dimensions of the co-operative participation in international trade. The list, as printed in full in Table C, page 265, however, comprises Wholesales, most of which are Consumer Co-operative Organisations, in only thirteen countries. The conclusion we can draw, even from these examples, undoubtedly is that there is already under present conditions a wide field for mutual trade interchange between Co-operative Organisations in the various parts of the world and for expanding international trade by joint co-operative efforts at the international level.

The co-operative business organisations comprising more than one country are, at present, few, and either of a regional character for joint purchasing, like the Scandinavian Co-operative Wholesale Society, or for the interchange of goods between certain Consumer Wholesales in one country and Agricultural Co-operative Associations in another. Not that the Regional Organisations for joint purchasing have demonstrated the impracticability of the idea of joint international co-operative business enterprises; on the contrary; but they should be only the beginning of much wider international co-operative collaboration on the basis of the solidarity of consumers' interests all over the world.

Why, so far, have no other Co-operative Organisations for such world-wide collaboration in the business fields been able to develop? There are various reasons. The first and main reason is that National Consumer Co-operative

Wholesales and other National Co-operative Federations have been built up to serve the interests of their members in one and the same country. The whole structure of a national co-operative business enterprise is adjusted to the structure of the national economy of the individual country. This, I emphasise, is the main reason. But there are also others. There are the difficulties and obstacles produced by international trade barriers separating one country from another. The expansion of a national co-operative industry to serve the needs of other countries can, in many cases, only be carried into effect when the essential requirements in this respect will have been met and the trade between one country and another will not have high tariff barriers to climb and other encumbrances to conquer.

Inventions and Industrial Development.

If we will have to fear a very long delay before the ultimate success of the efforts now being made by international organisations and groups of countries to abolish tariff barriers and to do away with other obstacles to international trade, I am afraid that the carrying into effect of otherwise useful and dynamic international co-operative ventures into industrial and other fields of production will not prove feasible. It is a proposal contradictory to all co-operative principles and practice to imitate the strategy of the big private international undertakings which establish their productive branches within the protection of national tariff walls and fix their prices according to what they have found the consumers can afford to pay. They can earn big money in one country and take a transitory loss in another, but nevertheless find it extremely remunerative to maintain a market split up between a great many countries protected by tariff walls.

The world-wide enterprises have attained their position because of the huge capital resources at their disposal or of their exploitation of inventions patented all over the world. To the first group belong the big international oil companies, to the second, among others, the United Shoe Machinery Corporation, National Cash Register Inc., and the Swedish Match Company. Technical progress in general and, in particular, precedence in the development of technology have been, ever since the beginning of the Industrial Revolution, one of the main keys to the power position of industrial enterprises and industrialised countries. Great Britain's industrial dominance in the nineteenth century was largely established on the accomplishment by James Watt of the steam engine and on the long line of inventions in the textile industry of Arkwright, Crompton, Cartwright, and others in the latter half of the eighteenth century. The industrial rise of Germany and the United States in the nineteenth and twentieth centuries is likewise, to a great extent, due to the achievements of the inventors of these countries.

Big industrial combines in modern times are, to a great extent, reinforcing their power position by utilising the brains of the inventors. There is no space here to

expound the problem of inventions and patents exhaustively, but so much can be said that industrial development as a whole, on the unprecedented scale on which it has taken place in the last two centuries, would have been unthinkable without the spur given to invention by the patent institution. The rapid spread of new inventions by the assistance of world-embracing business organisations has been of immense value for economic progress and, at the same time, contributed to giving them a secure foothold in the countries covered by their operations and thus to reinforcing their industrial power position.

Patent Grants in the Light of Patent Legislation.

The patent grant in itself is a highly useful institution. As I have just said industrial progress started from the threshold of revolutionising inventions. When I try to explain the growth and dominance of world-wide enterprises by their possession of patents, it is by no means my intention to deny that they have supplied the consumers with a great many desirable and useful new commodities. "Consumers" in this connection include agriculture, handicrafts, industry, administration, trade and transport, as well as private households, where the task of the housewife has been made much less trying and tiresome by all these modern appliances known to us. The life of the individual has been made richer by the wireless and television. Those who have created these new commodities by the work of their brains we call inventors. By the grant of a patent, which can be awarded in almost all countries of the world, they have secured the sole right of the production and sales of their inventions in all the markets covered by the patent grant for a certain period of time, as a rule for seventeen years. The monopoly, limited in time, thus awarded to the inventors in the capitalist countries is a reward to the creators of novel things, the building-stones of economic progressive countries with a "capitalist" economic system. A "capitalist" country, in this connection, is a country where enterprise is reasonably free - where the farmer owns his land, the artisan his workshop and where industry, trade and transport are owned by those who have provided the capital and who may also be owners of capital as members of Consumers' or Agricultural Co-operative Societies, or, as worker-partners in their Co-operative Productive Societies. When I speak of "capitalist" countries or States I do not intend to impart to the word any disparaging or any idealising sense ; what I mean is only that the "capitalist" system has, in principle, accepted the right of free enterprise. The right of free enterprise, economic freedom, in order not to be implemented arbitrarily must always be coupled with political freedom, that is, a democratic political system within whose framework every citizen is entitled to vote, to voice his opinion and to enjoy personal freedom.

The reason why I have been developing on this subject is because I have the intention to show that the field of international co-operative relations in industry and trade is necessarily bound to be limited to National Co-operative Organisations in "capitalist" countries. This is for purely physical reasons. It is physically impossible to include in these relations countries with a State capitalist system in

which Co-operatives are denied the right of free enterprise and where all industrial activities are carried on by the State as its sole monopoly. Co-operation is not to blame that free enterprise is an accepted principle only in States where there is a "capitalist" economic system in the sense I have used the word.*

International Co-operative Organisations for the Exploitation of Patents.

The misuse and abuse of patent grants by private monopolies in "capitalist" countries could no doubt be checked by Co-operative Organisations acquiring and exploiting such grants to the benefit of their members and thus to the public good. If we could secure for an International Co-operative Industrial Organisation access to a world patent, its exploitation would be feasible only in "capitalist" countries. This stands out more clearly in the light of the legal principle applied by the Patent Laws of most countries, that a holder of a patent grant in order to keep it in his possession must see that the grant will be actually exploited. If a patent grant is not being exploited by the holder anybody might complain and obtain a compulsory licence for producing the commodity covered by the patent. If an International Co-operative Organisation would embark on the exploitation of a world patent it would thus be an inescapable consequence that it would be compelled to look after its right in all countries where the patent has been granted. The implementation of this principle explains why new inventions are being so rapidly spread all over the world.

I have been dealing cursorily with the complex problem of patents, and my audience may ask why. As already indicated, Co-operation watchful and alert should follow technical developments in various fields and, where an opportunity arises, acquire the patent for any invention which could be exploited on the world market to the use and benefit of the consumers. You may object that the Co-operative Movement is not yet sufficiently developed in the majority of the countries of the world and that in some countries there are no co-operative

* In a "capitalist" country in the sense I have used the word, public utilities, the main means of transport, etc., can be operated either by the State or by private capital. In many countries modern public utilities were developed by private capital and then taken over by the State. In Great Britain when the railways were built with private capital, the purpose was not only to reap a profit on the investments but also to serve the consumer-users. This is the case also to-day when the railways have been taken over by the Government. The essential question is that of the efficiency, and the main concern of the consumer is that the transport facilities are available at a reasonable cost, i.e., that the railways are operated in a rational way.

When the world's longest railway, the Trans-Siberian, via Manchuria, opened up through traffic in 1904, this meant possibilities for a higher economic standard for the parts of the Russian Empire served by the railway. At the time when the railway was planned it was expected that the exports from the European part of the Russian Empire to Siberia would be doubled or trebled by the new railway transport facilities. As a matter of fact, they were increased tenfold.

The loans raised in France and elsewhere by the Russian Government and private enterprises in Russia at that time illustrate the important rôle played by free international circulation of capital in pre-war times.

activities at all. There are, on the other hand, many countries, among them the most highly industrialised in the world, such as England, Scotland and a number of others, where Co-operation certainly is strong enough to come to grips with the problem.

If an International Co-operative Organisation would become the holder of an invention patented all over the world our conclusion would be, however, that the commodity thus reserved to co-operative production must be placed at the disposal of all consumers desiring to buy it. Sales should not be limited to co-operative outlets, but the commodity should be sold in the open market.

Such a development may apparently not be compatible with the co-operative principles according to which the members should, in their own organisation, produce and distribute goods to satisfy their own needs. If Co-operators, however, should strictly comply with this doctrine they would also have to take the risk that the Co-operative Movement would be locked out from many opportunities to benefit its members. It might even imply, if we leave it entirely to private enterprise to engage in the exploitation of new inventions, that we compelled the members to pay a monopoly price – that is a monopoly price charged by the owner of a patent in excess of the time for which the patent has been granted and for which the exclusive right of production is regarded as a justified reward to the inventor – for all these new commodities or for patented raw materials needed for the manufacture of products of improved quality. It would, finally, imply technical backwardness on the part of co-operative industry.

There are many household articles whose prices have been unduly enhanced by the operations of producers who have used patents once acquired to build up and maintain a monopoly position after the patents have expired. Not only the advantage to Co-operative Organisations in forestalling such a development by acquiring patents of their own, but their duty to do so, lie open at hand in the light of such reflections. It is, in fact, one of the first duties of Co-operation to protect the consumers from being subjected to special taxation by private monopolies irrespective of how they have arisen.

The Duty of Co-operative Organisations is to Satisfy All Needs of the Consumers.

Some may think that my argument on this point is out of touch with realities, as they may be of the opinion that there are tasks much more intimately connected with the idea of Co-operation and which ought, in the first place, to make demands on the resources of the Movement. No doubt there are such tasks not yet fulfilled, perhaps not even approached, within the Movements in almost all countries. Anyway, in many countries the activities of the Co-operative Movement are extremely many-sided ; the Movement is there engaged in tasks which do not only affect production and distribution of primary consumer goods but in industries producing what were formerly called “luxury” goods but now are within the reach of large sections of the consumers. As the standard of living rises in comparatively highly developed countries consumer demand is being

more and more orientated towards the "luxury" commodities of yesterday, many of which have direct bearings on the task of lightening the toil of grey everyday-life and of raising the cultural standard of the people. If not, why are so many Co-operative Organisations engaged, for instance, in the sale - some of them also in the production - of modern household appliances and in book-publishing ?

The Movement's Facilities to Engage in the Exploitation of Inventions.

But exactly as the Movements and their business organisations are so many-sided and engaged in diversified sale and industrial activities, those leaders and officials who are taking care of all these diversified activities have established excellent contacts with economic activities and developments outside the Movement and are, as a rule, well informed. They get wind of what is going on in the field of ever-advancing techniques and, also as interested and alert citizens in our modern civilized world, they take an interest in the general tendencies in modern technology, in the new technical ideas not yet brought to fruition and in the ever-expanding world of experimental science. They feel it their duty to pass on their own ideas and knowledge to the members whom they serve, and to press the point that it is also the duty of the Movement to make contributions to technical progress.

And certainly it is the duty of the Movement to make such contributions. Now, it is also certain that those having to make the final decisions on the utilisation of the Movement's capital resources will be very cautious in making the necessary investment for a given purpose in this field. I do not blame this attitude ; it is the members' accumulated funds that are entrusted to their care and there are bound to be severe criticisms offered on any point where they seem to have been squandered. Here, as in other fields, Co-operation will have to proceed with all necessary precaution. I, therefore, propose that initiatives to be taken by Co-operative Organisations should start with projects which need comparatively small investments and which cannot influence the financial solidity of a Co-operative Organisation as a whole.

To give you an example, the prices paid for patents by my own Organisation have varied from some £100 to £65,000. The Swedish Wholesale Society has not only bought but has sold patent grants. In those cases where we have bought patents we have always considered it a primary condition that the commodity covered by the patent should be one that could be sold to the households of Co-operators.

As far as patent grants sold are concerned, it may perhaps not surprise you to know that departmental and factory managers of K.F., as well as their technicians and engineers, have made several hundred inventions. Patents of these inventions have been granted to the inventors and taken over by the Swedish Co-operative Wholesale, K.F. Several patent grants, however, have been resold ; some of them are world patents. K.F. has, indeed, in a few cases established enterprises in the legal form of limited companies which have then directly arranged for the sale of the patented commodity in the world market.

Co-operation Has to Take Its Share in Technical Research and the Encouragement of Invention.

The products here referred to, however, have scarcely met the requirements for being exploited by International Co-operative Organisations. An appropriate forum to follow modern technical development and to take the initiatives needed, to suggest international co-operative collaboration in the field of the exploitation of suitable patents and, indeed, to initiate joint initiatives in the field of production is, in my opinion, no doubt I.C.W.C. I have approached it in this Paper to direct the attention of Co-operators to an idea which has not earlier been dealt with by the International Co-operative Alliance but which is certainly destined to become the subject of international co-operative collaboration. Critics of the Co-operative Movement have in the past, and present, not seldom centred their criticisms on the point that Co-operation, while enjoying the fruits of technical and scientific progress, has only exceptionally made contributions of its own to this progress. It has, as has been said, left all the pioneering work in the field of technology and all the capital risks connected with it to private enterprise. Co-operation is, it is being argued, a hanger-on to private enterprise in this respect.

I do not propose that Co-operation should as willingly as private enterprise take the risks of technical innovation - it is the main justification of private enterprise that it has to take the risks as well as the profits - but certainly Co-operation also has to do its bit within the limits of its main objectives : to protect consumers against abuse and misuse of monopoly power - which is to such a great extent established on the utilisation of patent grants - and to offer them new and better opportunities to satisfy all their demands, not only those which are connected with their most primary needs.

Co-operative Enterprise Successfully Competing with World-embracing Private Business Organisations.

It has been proved by numerous facts that co-operative enterprise can "bust" monopoly organisations operating in the home market. It might be of interest to show how co-operative enterprise has proved able to take up competition with world-embracing private business organisations and with success. That was, for an example, the case when the Swedish Co-operative Wholesale, K.F., embarked upon the production and sale of cash registers.

The story begins when the German Krupp concern after World War I set up a special department to take up production and sales of cash registers in competition with the National Cash Register Corporation in U.S.A., which, at that time, largely dominated the European markets. In the course of negotiations between K.F. and the Krupp concern the latter had given the pledge to K.F. to let the Swedish Co-operative Wholesale buy the product direct from the Krupp factory at competitive prices. In the meantime, however, the National Cash Register Corporation acquired a controlling stock-holding in the Krupp cash register factory. As a

consequence of this new development K.F. was restricted to buying cash registers from the German factory from the factory's agent and at prices fixed by the producer. These prices seemed to be exorbitant, incurring unnecessarily high costs to the Swedish Consumer Co-operative Societies, so much the more as by a special binding clause the buyers were compelled to buy also their supply of voucher rolls from the producer of cash registers at fixed prices. These were the reasons why K.F. started a factory of its own, the "Hugin" factory.

By this intervention considerable cost savings were made possible for the Societies, not least because of the reduced costs for vouchers. The annual consumption of voucher paper rolls of the Swedish Consumer Co-operative Societies amounts to Sw.Kr. 375,000. At the time of the establishment of the co-operative cash register factory, the National Cash Register Corporation charged Sw.Kr. 1.50 per roll. Now, twenty years afterwards, K.F. charges the Societies Sw.Kr. 0.70 (voucher roll and control strip, largest size). The prices for smaller sizes being considerably lower, this means savings of paper costs of at least 50 to 60 per cent, or some Sw.Kr. 400,000 calculated on the present consumption of vouchers.

It should be emphasised that the K.F. factory, which is now carrying on exports of cash registers to some 35 countries, might be an appropriate object for re-organisation into an enterprise jointly owned and operated by the Co-operative Wholesale Organisations affiliated to the I.C.A.

It should also be mentioned that the initiative taken by K.F. has, at the side of the "Hugin" factory, also given rise to another Swedish factory started on the production models of "Hugin" and a private enterprise in this industry. In the Swedish cash register industry a brisk competition is at present one of the main features of its activities on the Swedish home market as well as in the various markets abroad.

Scrutiny of Patents Should Be Centralised in an International Authority.

In passing, I may perhaps say a few words on a side of the problem of patents where the Co-operative Movement could contribute by mobilising the opinion of their members to bringing about reforms. It concerns the examination of applications for patent rights.

In a number of countries, including most of the highly industrialised ones, for example Great Britain, U.S.A., Germany, Holland, the Scandinavian countries, a patent is granted only when the application concerns a method of production, or the production of a material or a commodity, hitherto unknown in the world. In many countries, on the other hand, patent rights are awarded by registration, irrespective of the "novelty value" of the invention. The exclusive right of production in such countries has to be maintained by lawsuits in connection with patent litigation. In the first-named group of countries, however, when an inventor applies for a patent grant the Patent Office in the respective country has to investigate whether there are any hindrances in the way of acknowledgement of the

application. If a patent has already been granted for the same or a similiar invention in another country and described in print, or if the invention can be proved to be already in "open use" such a hindrance exists and the application cannot be granted. Thus every application for a patent gives rise to comprehensive work of examination.

The International Patent Union (The International Union for the Protection of Industrial Property) with its Secretariat in Berne, is an international inter-governmental organisation established on the basis of the so-called Paris Convention of 1883, later revised on repeated occasions, to which at present 45 countries are affiliated. Conforming to the Convention, the member States have undertaken to receive applications for patent grants from inventors in the signatory countries and to observe the right of priority of an application for a patent grant submitted in the inventor's country for a period of one year.

"World patents" - this is the word used for patents granted not only in one country but in several - do not exist in the sense that a patent is made valid all over the world by one single decision. That is why much work and great expense are required to obtain "world patents." The same work of registration and, in a number of countries, of examination is now being carried on by Patent Offices in the various countries, but demands considerable administration costs.

The inventors have to pay fees to all those Patent Offices to cover their expenses. In some countries the Governments have even made the fees from the registration of patents a source of net fiscal revenue. In addition, heavy expenses arise from the compulsion prescribed in many countries to use "patent agents" or "patent attorneys" to draw up and hand in applications for patent grants. Proposals for joint examination of patents of a regional character are at present being dealt with in some European regions - the Benelux countries and the Scandinavian countries - but are making only slow progress. If the registration and scrutinisation would be executed by one single administration, considerable savings might be arrived at to the benefit of inventors, to whom, according to the wording and the spirit of the Patent Laws, all possible support should be rendered but who are now, instead, burdened with unnecessarily high expenses for the acquisition of their grants.

The consumers' interests here coincide with those of the inventors. The consumers will be those who have ultimately to pay for the unnecessarily high costs for the acquisition of patent grants. In so far as these costs delay the spread of an innovation they act as a brake on world economic development. To put it as mildly as possible, they do not encourage the work of the individual inventors.

The power which modern monopoly wields over research by pooling the inventors' achievements in their giant impersonal research laboratories will, on the contrary, be definitely reinforced. Their expenses by paying fees to all Patent Offices in the world are a mere trifle in comparison to the huge monopoly profits they aspire to reap. But there are no advantages to be won for the consumers by contributing to make the individual, independent inventor a waning species of humanity. As conditions are now, the heavy charges to be borne by the individual

inventor in acquiring patent grants in countries outside his own might even mean his financial ruin. Famous inventors in past times ended in the poor-house ; the modern inventor might end up by selling his patent grants to an enterprise for a song, to cover his expenses for acquiring them.

* * * * *

To cover my vast subject " Co-operation in World Economic Development and Peace," at least partly, I have singled out a few, but important, fields where Co-operation could make valuable contributions to world economic development and of which some have not yet fully come into the range of vision of International Co-operation. Even if some parts of my argument may have been immediately convincing to my audience, I am deeply aware that others will demand some time for ripening.

Peace - The Pre-requisite and the Goal.

I now come to Peace, the overpowering interest of Co-operators all over the world, at one time the main pre-requisite for making our efforts for truly international collaboration in material respects a reality and the ultimate goal of International Co-operative Solidarity embodied in the Alliance.

How can the implementation of the few suggestions made in this Paper contribute to the achievement of better understanding between nations and the reconciliation of opposing interests in present conflicts where the national feelings of some nations are profoundly stirred, even in the ranks of Co-operators confessing the Co-operative Ideal of Peace in the world and ensuing opportunities for greater happiness of all ? I want to give you only one example.

Oil Conflicts and International Peace.

Many different proposals have been made in the last year to solve or by-pass the Suez Canal conflict, among them even to dig a new canal from Akaba to a port in Israel. Anyway when the new gigantic tankers, of 60,000 tons carrying capacity or more, will be ready to be put into operation the Suez Canal will have lost much of its importance for the international oil trade ; these giants cannot pass the canal but will have to take the longer route past the Cape of Good Hope in South Africa. Nevertheless, they will probably bring a reduction in oil freight rates ; that is one of the present outstanding features in world economic development : the advantages of larger unit operations, here applied to shipping.

The Suez Canal conflict is insolubly tied up with the political problem of the Middle East ; and this, in its turn apparently, is insolubly tied up with the international oil problem. The international oil problem is intimately connected with the problem of the oil concessions of the big international oil companies and the

political entanglements of those concessions which have already given rise to some grave international conflicts even menacing Peace. The Alliance some years ago pointed out in a Memorandum to the United Nations :—

“ National interests have, to an ever-increasing extent, been married to political considerations, implying that in their pursuits in foreign concession areas the oil combines have frequently been backed up by their Governments. In some cases Governments have been induced to acquire a stock interest in, or complete financial control over, oil combines. One aspect of this battle for foreign oil fields - characterised by conflicts and clashes, by armistices and alliances - is that it is bound to breed and sustain a feeling of mutual suspicion and craving for power among nations which, in itself, is one of the latent dangerous incentives to war.”

The Memorandum also pointed out another aspect of the problem of oil concessions : the danger of direct conflicts between countries, caused by tensions between concessionaires and concession-granting countries. When national resources of any kind are developed by foreign capital in the midst of a poor people it may easily appear to be greedy exploitation, or even robbery of the natural wealth of their country for the further enrichment of richer peoples. The wish of Governments to protect the investments of their nationals may lead to situations of undue political pressure, to humiliating situations for the country granting concessions and to actual disputes.

It should be added that the opposition of a poor people to foreign concessionaires in their country, and the feelings of objection and hatred against foreign exploitation, are bound to be further accentuated in as much as the income to the State derived from the concessions is not used to the benefit of the majority of the population but to that of a feudal ruler or a governing class. Social unrest and dissatisfaction thus born will not always be directed against the feudal regimes, but also against the concessionaires and their nations. Quite irrespective of the ultimate distribution of the money paid for the concession, the maintenance of foreign rights on native soil is, however, bound to breed, in the long run, dissatisfaction and give rise to dangerous situations for the concessionaires.

Such a situation arose, as we well remember, a few years ago in Iran, and may arise in other countries having granted concessions to develop the richest oil deposits in the world to the big international oil companies. To avert such a world development of the most sinister character in the oil industry there is one infallible means, which I have already pointed out : that the International Co-operative Oil Organisation may be able to persuade the Governments of the oil-possessing countries to allow it to engage in large-scale oil production of its own, with equal rights for the producing countries and the consolidated consumers, no longer representing private, profit-chasing capital nor any national guardian interests, but international, unselfish solidarity. When this will be achieved - and I am an optimist in this respect - a very heavy stone now encumbering the way to Peace will have been removed.

Free and Equal Access to Raw Material Resources.

One of the main objections to the activities of oil and other international business organisations is that they have, to a great extent, imposed themselves on the raw material resources of the world, exploiting them for high profits and withholding them from other enterprise which might contribute to an increasing production and enhanced benefits to the consumers, in the form of lower prices, of the products which have to depart from them. In not infrequent cases they are, as in the field of the oil industry, the favourite tools of nationalist tendencies to conquer as much as possible of the world's raw material resources in order to establish an economic hegemony in the world.

No doubt the uneven distribution of natural riches and raw materials provides one of the most fruitful incitements to warmongering. To the extent that the natural resources of the world can be distributed and administered according to the Co-operative Principles, this incitement will be gradually lessened. I know that this is a perspective at very long sight, but also in this regard I am optimist enough to be convinced that the materialisation of our hopes will come one day.

Co-operative Organisations for the Universal

Exploitation of Raw Materials.

On many former occasions, national and international, I have tried to outline the new system according to which the natural resources of the world should be developed and exploited to the benefit of all, producers and consumers alike. The new system must be based on the principles governing the Co-operative Movement, that is raw materials should be supplied to consumers at prices which cover the cost of labour, including interest on the capital invested in their production. The ownership of the natural resources should be transferred to the consumers. Societies on co-operative lines should be formed all over the world to exploit its natural resources. There should be special Societies for each particular raw material, set into practice for example, in the European Coal, Iron, and Steel Union. "Consumers," as I have defined the word in my introduction to this Paper, should mean any group of those needing the raw materials for their production, directly or indirectly: Agricultural, Artisans', Manufacturers', Consumers' Co-operative Organisations.

If you consider this programme too Utopian, and no doubt some of you will, I would like to draw up some lines to indicate how, at its present stage of development, the Co-operative Movement could contribute to demonstrate the practicability of this wider scheme and, by so doing, contribute to lessening one of the major economic obstacles to Peace. That could be done by carefully watching and taking advantage of all opportunities for the integration of already existing Co-operative industries into the production of raw materials. When the Swedish Co-operative Wholesale, K.F., many years ago, embarked on the production of margarine we soon found out that our independence in this field was essentially dependent on the factory's supply of vegetable oils. This insight led us to the acquisition of an

oil-mill of our own, which is by far the largest in the country, partly supplying also our private competitors. We have not proceeded so far as the acquisition of plantations for the growing of oil seeds ; but, in spite of the dominance exercised by big international vegetable oil combines in the world market of such seeds, this market is still comparatively competitive. We have, as a natural consequence of this development, established a watchful machinery for the direct buying of oil seeds in the world's market. Some Co-operative Organisations have proceeded further than we in this field ; for instance, our French sister organisation.

The vegetable oil and integrated industries, margarine and soap - in which so many Co-operative Wholesales, particularly in Europe, are intensely interested and have already embarked on productive activities of their own - would perhaps be the most appropriate field for joint co-operative efforts at the international level. The aim of these efforts should be to form an integrated, coherent chain of production and distribution of the commodities here concerned, all of which are indisputable necessities of life. Starting from the production of oil seeds in plantations, in which the Co-operative Societies of the growers should hold an equal interest, and proceeding to co-operatively organised processing and production of vegetable oils, margarine, soap and other detergents in jointly owned and operated plants and factories, such an international co-operative chain would form an effective counter-vailing force to the big international combines in this field and prove its great value equally to the consumers and the raw materials producers of the world.

Freedom of International Trade and Peace.

The implementation of this minor programme, coupled with the establishment of international co-operative industrial organisations on the basis of integration, would, in my opinion, mean a great step forward on the way to indicate, to a growing international opinion, how by concrete economic measures the longer road to World Peace could be achieved.

To all International Co-operative Trading and Industrial Organisations an extended freedom of international trade is an elementary pre-requisite. Greater freedom in international trade is also a pre-requisite of major importance to the establishment of lasting World Peace ; on the other hand, a lasting World Peace is an almost indispensable pre-requisite for the achievement of full freedom of international trade. This subject has been dealt with at so many earlier I.C.A.

Congresses - for instance, in practically all its ramifications at the Zurich Congress in 1946 by our noble co-operative friend and companion in arms, Anders Oerne, in his brilliant paper - that I refrain from repeating all the valid arguments for a freer international trade on the basis of which so many resolutions of the International Co-operative Alliance have been adopted and passed on to those possessing the powers to steer the destinies of the world.

President Wilson's ideal laid down in his point 3 "equal trading conditions between all nations" and the emphasis laid on the freedom of international

trade by the Atlantic Charter and the Charter of the United Nations are beacons lighting our path in an unfortunately still all too dark world in this respect.

In this same respect, as in many others, the old observation holds good that self-interest, the self-interest of nations, is born of ignorance. If we take a closer look at the world we will find that those areas enjoying the highest degree of prosperity are those which have abolished all barriers to trade within their area. The most illustrative example is the United States. It only remains that those areas and all countries in the world will see for themselves that the highest degree of prosperity for the world as a whole can only be reached when they form one single, consolidated area where goods can pass freely without interference by customs officials from one end of the world to another. In such a world, war would be as unthinkable as a war between the States of Massachusetts and New York.

Slow Increase of International Trade Due to Restrictions that Still Remain.

I would like to emphasise once more that World Peace is indissolubly tied up with Freedom - freedom from economic restrictions, political freedom, personal freedom. In a world where not only commodities are allowed to pass freely across the frontiers but also capital for investment, and persons in search of the best opportunities for gaining their livelihood, there would be no place for economic jealousies or national cravings for economic power over others. Political and personal freedom within the national states thus united is an indispensable pre-requisite for the attainment of such a peaceful world order.

If we look at one important aspect of international economic relations in the present world - world trade - we will find that its expansion, over a long time past, has been fenced in with national prejudices and the jealous, short-sighted safeguarding of "national interest" which, in reality, works out to preserve stagnation in production and to put a brake on the trend for improvement of the general standard of living. The defenders of trade restrictions and national egotism in trade policy very often point to statistics showing that world trade is "recovering." If, however, we look at the tremendous statistics of populations under-supplied, of natural resources still under-developed and of saleable essential commodities stored, or even burnt or otherwise destroyed, in rich exporting countries, it will be brought home to any intelligent observer that international trade is dangerously lagging behind its tremendous potentialities.

An American economist, Dr. M. Palyi, in an address to the Chicago World Trade Conference in 1956, gave publicity to statistical research undertaken by him on the volume of international trade since the outbreak of World War I, stating as the result of his investigation that world trade has been practically stagnant since that time. Dr. Palyi stated, in brief:—

“ Now, let us go a little further back (than to 1938) and look at the volume of trade, at the real volume, in terms of *per capita* population. We will find that

the volume of world trade to-day, speaking of exports, the real volume of world trade, disregarding price changes, is somewhere between one-half and two-thirds of what it was in 1913, on the eve of World War I. In dollar terms, there has been a tremendous rise since the last World War. But in *per capita* physical terms, which is what matters, the trend is downward. In a world which is producing rising figures along almost every line, in output, national incomes, gross national products, absolutely and relatively, *per capita* foreign trade has been declining ever since the onset of World War I."

Indeed, international trade needs a recovery, a thorough and lasting recovery. Such a recovery cannot be effected, but by resolutely pulling down tariff and other trade barriers which are also barriers to peaceful understanding amongst the nations of the world. Barriers are built to separate peoples and always presuppose fear and apprehension. The shadow of violence and power falls heavily along all those barriers.

If we, however, succeeded in building up a world economic order, not on barriers, restrictions and prohibitions, compulsion or violence, but on a system satisfying our sense of justice, people would be educated to be good citizens of this new world. Such education would be more valuable than that given to us in the schools. For what is the value of most of the precepts we learn as children unless they are applied in practice? If it is considered right to take from others by might whether among individuals or nations, might will become desirable, and a struggle for might will ensue. If we desire an enduring Peace it is our duty to try and create an order where justice and fairness to all shall be the guiding principle and not might, and such an order will bring forth and develop good citizens who will be able to maintain and defend this new world order against all the gales and catastrophes of time.

The only possibility for individuals and nations to create such conditions, while retaining their freedom, is to give an ever-widening scope to the Co-operative Principle, which denies economic oppression in any form and strives for the social emancipation and economic freedom of all classes and categories of the populations irrespective of their material conditions and the occupation they pursue in life. If the powers that be do not realise the danger to freedom inherent in promoting the interests of exploiters, compulsion and violence will win ground and war will be the result. Co-operation is the expression of the Will of Mankind not only to economic freedom but to ultimate solidarity and good understanding among all men.

Co-operation is the main road to Peace.

* * * * *

Table A.

**Number of Cars in 88 Countries at the Beginning of 1956,
and World Total.**

	Total number of cars	Passenger cars	Passenger cars per 1,000 of population
Alaska	58,847	42,319	202
Albania	2,500	800	0.5
Algeria'	145,653	95,000	10
Angola	22,323	14,912	3
Argentina	475,197	311,769	17
Australia	1,988,469	1,346,573	146
Austria	212,858	146,665	21
Belgian Congo	47,037	25,861	2
Belgium	653,000	475 00	54
Bolivia	21,879	6,126	2
Brazil	623,741	302 608	5
British Guiana	6,303	5,246	11
Bulgaria	16,200	5,000	0.5
Burma	25,810	11,250	0.66
Canada	3,831,000	2,900,000	185
Ceylon	75,743	55,083	6
Chile	93,013	46,844	6
China	121,000	20,000	0.33
Colombia	146,744	73,137	6
Costa Rica	14,674	8,455	9
Cuba	173,449	122,508	21
Cyprus	12,925	8,050	16
Czechoslovakia	178,000	105,000	8
Denmark	316,080	215,500	48
Dominican Republic	13,363	6,626	3
Ecuador	18,959	4,530	1
Egypt	95,900	71,700	3
El Salvador	17,714	12,037	6
Fiji	5,841	3,442	10
Finland	140,736	83,655	20
France	4,210,500	2,980,000	69
French Equatorial Africa	17,512	5,900	1

Figures of cars obtained through the Swedish publication "Automobiles in Sweden, 1956" ("Bilismen i Sverige, 1956") from "The American Automobile," McGraw-Hill, U.S.A.

Population figures used to estimate "passenger cars per 1,000 of population," taken from United Nations "Monthly Bulletin of Statistics," February, 1957.

	Total number of cars	Passenger cars	Passenger cars per 1,000 of population
Germany, Western	2,146,500	1,530,000	31
Ghana	32,500	14,000	3
Greece	45,737	16,308	2
Guatemala	24,543	15,520	5
Haiti	8,816	4,686	1
Hawaii	180,755	153,366	274
Honduras	6,252	3,440	2
Hong Kong	21,871	18,450	8
Hungary	42,300	15,000	2
Iceland	14,978	6,773	43
India	309,750	166,750	0.5
Indonesia	117,602	63,727	0.66
Iran	53,776	29,148	1
Iraq	27,114	16,376	3
Ireland	178,604	132,524	46
Israel.....	38,280	17,700	10
Italy	1,248,000	880,000	18
Jamaica.....	22,595	17,198	11
Japan.....	868,490	147,376	2
Korea	15,950	2,862	0.1
Lebanon	28,360	22,350	16
Luxembourg	27,034	20,900	70
Malaya	79,625	55,722	9
Malta and Gozo	12,150	8,500	18
Mauritius.....	7,900	5,800	10
Mexico	501,745	276,870	9
Morocco	159,473	109,958	13
Mozambique	22,285	16,479	3
Netherlands	396,365	287,000	27
New Zealand	498,704	373,817	175
Nicaragua.....	6,858	4,028	3
Norway.....	206,250	121,500	36
Pakistan	44,870	26,530	0.33
Panama.....	18,012	12,677	14
Paraguay	5,675	3,200	2
Peru	89,300	50,300	5
Philippines	103,489	51,511	2
Poland	87,000	30,000	1
Portugal	135,311	92,821	11
Puerto Rico	105,413	80,417	35

	Total number of cars	Passenger cars	Passenger cars per 1,000 of population
Roumania.....	23,000	6,000	0.33
Spain	217,403	109,734	4
Sweden.....	775,000	634,000	87
Switzerland	325,089	279,517	56
Syria	23,920	12,350	3
Thailand	54,200	27,300	1
Trinidad and Tobago.....	25,299	18,613	26
Tunisia.....	67,761	34,400	9
Turkey	63,929	28,879	1
Union of South Africa	829,329	639,083	47
U.S.S.R.	2,875,000	350,000	2
United Kingdom.....	4,633,879	3,502,500	69
United States	61,884,702	51,631,210	313
Uruguay	98,200	51,500	19
Venezuela.....	234,328	140,268	25
Yugoslavia	35,503	11,523	0.66
Total in 88 Countries...	93,889,744	71,890,067	—
World Total.....	94,980,849	72,510,769	27

* * * * *

Table B.

World Trade in 1955, and of Countries Represented in the I.C.A.*

Imports c.i.f., exports f.o.b. Values in million U.S. Dollars.

	Imports	Exports	Foreign trade <i>per capita</i>		
			Import	Export	Total
Argentina	1,100.0	1,000.0	0.06	0.05	0.11
Australia ⁽¹⁾	1,932.5	1,751.2	0.21	0.19	0.40
Austria ⁽²⁾	877.2	606.8	0.13	0.10	0.23
Belgium and Luxembourg...	2,829.5	2,775.8	0.23	0.22	0.45
Brazil	1,306.8	1,423.2	0.02	0.02	0.05
Bulgaria	—	—	—	—	—
Canada ⁽³⁾⁽⁴⁾	4,773.9	4,409.6	0.31	0.28	0.59
Ceylon	306.5	407.4	0.04	0.05	0.08
Colombia	671.3	583.9	0.05	0.05	0.10
Czechoslovakia	—	—	—	—	—
Denmark	1,178.3	1,056.2	0.27	0.24	0.50
Egypt ⁽⁵⁾	525.2	347.4	0.02	0.02	0.04
Finland ⁽⁶⁾	769.4	788.1	0.18	0.19	0.37
France ⁽⁷⁾	4,687.9	4,797.7	0.11	0.11	0.22
Germany, Western	5,793.4	6,134.7	0.12	0.12	0.24
Ghana ⁽⁸⁾	246.0	244.9	0.05	0.05	0.11
Great Britain	10,556.7	8,135.3	0.21	0.16	0.37
Greece	382.1	182.8	0.05	0.02	0.07
Holland	3,207.6	2,687.1	0.30	0.25	0.55
Iceland	77.6	52.1	0.49	0.33	0.82
India	1,361.4	1,269.1	0.00	0.00	0.01
Israel ⁽⁹⁾	325.6	88.2	0.19	0.05	0.24
Italy ⁽¹⁰⁾	2,705.9	1,857.1	0.06	0.04	0.10

⁽¹⁾ Imports f.o.b. ⁽²⁾ Including imports of foreign aid. ⁽³⁾ Imports f.o.b. ⁽⁴⁾ Including Newfoundland. ⁽⁵⁾ Excluding trade with Sudan. ⁽⁶⁾ Exports exclude reparations, restitutions and transfer of German assets to U.S.S.R. ⁽⁷⁾ Including the Saar. ⁽⁸⁾ Including British Togoland. ⁽⁹⁾ Excluding pipe line exports of crude petroleum. ⁽¹⁰⁾ Including former British-U.S. zone of Trieste. ⁽¹¹⁾ Federation of Malaya and Colony of Singapore. ⁽¹²⁾ Including British Cameroons. ⁽¹³⁾ Including Svalbard. ⁽¹⁴⁾ Including Alaska, Hawaii, Puerto Rico, and (1937-1938) the U.S. Virgin Islands. Exports include foreign aid and special category military goods. ⁽¹⁵⁾ Imports f.o.b. ⁽¹⁶⁾ Excluding trade of Albania, Bulgaria, China Mainland, Czechoslovakia, Eastern Germany, Hungary, North Korea, Poland, Roumania, and the U.S.S.R. ⁽¹⁷⁾ World population 2,652 mill.; population of countries not included, see ⁽¹⁶⁾ above, 884.5 mill.; net population used for the *per capita* figures 1,767.5 mill. Source: Statistical Abstract of Sweden, 1956.

* The trade figures in this table are taken from the United Nations' Yearbook of International Trade Statistics, 1955; for estimated figures of *per capita* trade, U.N. Monthly Bulletin of Statistics, February, 1957 was used, except for Nigeria and Sudan, where Whittaker's Almanack, 1953 was used.

	Imports	Exports	Foreign trade <i>per capita</i>		
			Import	Export	Total
Jamaica	127·7	96·7	0·08	0·06	0·15
Japan	2,471·3	2,010·6	0·03	0·02	0·05
Malaya ⁽¹¹⁾	1,248·5	1,357·7	0·17	0·19	0·36
Mauritius	53·4	52·9	0·10	0·10	0·19
New Zealand	803·8	724·0	0·38	0·34	0·72
Nigeria ⁽¹²⁾	380·1	370·3	0·01	0·01	0·03
Norway ⁽¹³⁾	1,089·6	634·0	0·32	0·19	0·50
Pakistan	289·6	400·7	0·00	0·00	0·01
Roumania	—	—	—	—	—
Sudan	140·1	147·5	0·02	0·02	0·03
Sweden	1,990·8	1,728·1	0·27	0·24	0·51
Switzerland	1,488·6	1,306·7	0·30	0·26	0·56
U.S.A.	11,401·0	15,412·4	0·07	0·09	0·16
U.S.S.R.....	593·5	576·6	0·00	0·00	0·01
Yugoslavia	440·9	256·6	0·03	0·01	0·04
World ⁽¹⁶⁾ ⁽¹⁷⁾	87,800·0	82,550·0	0·05	0·05	0·10
Countries in I.C.A. ...	68,133·7	65,763·4	—	—	—

Total Trade per capita of Countries in Order of Size

(In 1,000 U.S. Dollars).

1. Iceland.....	0·82	18. Mauritius	0·19
2. New Zealand	0·72	19. U.S.A.	0·16
3. Canada	0·59	20. Jamaica	0·15
4. Switzerland.....	0·56	21. Argentine	0·11
5. Holland	0·55	22. Ghana	0·11
6. Sweden	0·51	23. Colombia	0·10
7. Denmark.....	0·50	24. Italy	0·10
8. Norway	0·50	25. Ceylon	0·08
9. Belgium and Luxembourg...	0·45	26. Greece	0·07
10. Australia	0·40	27. Brazil	0·05
11. Finland	0·37	28. Japan	0·05
12. Great Britain	0·37	29. Egypt.....	0·04
13. Malaya.....	0·36	30. Yugoslavia.....	0·04
14. Germany, Western.....	0·24	31. Nigeria	0·03
15. Israel	0·24	32. Sudan.....	0·03
16. Austria.....	0·23	33. India	0·01
17. France.....	0·22	34. Pakistan.....	0·01
		35. U.S.S.R.	0·01

Table C.

**Imports and Exports in 1955 of Co-operative Wholesale Organisations
of Certain Countries within the I.C.A.**

	Imports In 1,000 U.S. Dollars	Exports	Conversion Rates
Austria			
Grosseinkaufsgesellschaft öst. Consumvereine	4,116·8	—	Os.100 = \$3·8533
Belgium			
Société Générale Coopérative	2,081·2	23·8	BFr.s.100 = \$2·0
Canada			
Co-operative Union of Canada	1,560·7	2,453·6	Ca\$.100 = \$101·4
Denmark			
Faellesforeningen for Dan- marks Brugsforeninger	12,888·4	716·6	DKr.100 \$14·48
Finland			
Osuustukkukauppa	27,167·6	983·6	FMk.100 = \$0·4348
Suomen Osuuskauppojen			
Keskuskunta			
France			
Société Générale des Co- opératives de Consommation	12,085·1	120·0	Frs.100 = \$2·2857
Germany			
Grosseinkaufs-Gesellschaft deutscher Konsumgenos- senschaften.....	32,381·6	1,238·1	DM.100 = \$23·81
Great Britain			
Co-operative Wholesale Society, Ltd.	121,884·3	4,211·7	£100 = \$280·0
Scottish Co-operative Wholesale Society, Ltd....			
Holland			
Nederlandse Verbruiks- coöperaties	5,974·6	243·5	Hfl.100 = \$26·32
Iceland			
Samband Isl. samvinnufélaga	16,639·4	8,669·7	IKr.100 = \$6·14
Norway			
Norges Kooperative Lands- forening	7,700·0	—	NKr.100 = \$14·00
Roumania			
Centrocoop.....	4,149·6	615·0	Rbl.100 = \$25·00
Sweden			
Kooperativa Förbundet	98,363·8	26,939·6	SwKr.100 = \$19·33

The above figures refer mainly to Consumer Co-operative Wholesales.

In the case of Denmark, for example, they cover only the import and export trade of the Consumer Co-operative Wholesale, F.D.B. If the imports and exports of the Danish Agricultural Co-operative Organisations—for the supply of vocational necessities and the marketing of agricultural produce—are included a figure of \$23,892,000 would have to be added to imports and \$304,369,600 to exports. The co-operatively organised exports of pork and bacon amounted to 90 per cent of the country's total, of butter to 60.9 per cent, and of eggs to 36.8 per cent.

Dr. G. Kéler, Sweden : This is the speech which Dr. Albin Johansson intended to make :—

Before making any statement, I should like to thank Mr. Thorsten Odhe for his assistance in helping me to prepare the paper which has been distributed to you. I wish to say a few words about the possibilities and tasks of the Co-operative Movement, trying to be objective and impartial and to speak only from the point of view of the well-being of consumers.

We all agree that the Co-operative Movement tries to raise the standard of living of its members, which must be raised as high as possible. There is nevertheless a difference of opinion in defining the role of the Co-operative Movement in society as a whole, so as to ensure the maximum benefits to members. One party feels that the Co-operative Movement serves the population better if the goods are distributed through State monopoly. In such countries one of the proofs of the success of the movement is, apparently, the large number of the members. This refers particularly to non-capitalist countries. The Chinese movement, for instance, has an enormous number of members, far in excess of the numbers in any other country. One cannot deny that in these countries these possibilities exist, and, of course, they can be found only in those countries where the economy is entirely in the hands of the Government. Among those countries are those where production is entirely in the hands of the State. In countries where there is private enterprise, on the other hand, the characteristic is that the co-operatives themselves can be the owners of the means of production. In countries where there is a State monopoly the co-operatives have no very great freedom of action; they distribute the goods produced by the State monopoly, and other co-operative activity appears to be excluded. That is why the membership of the co-operatives in these countries appears to be so enormous.

They attempt to convince their colleagues in other countries that it is desirable to follow in their wake. Now, is it true that this type of Co-operative Movement has done more than the co-operatives in countries with a free economy or countries of mixed economy? I do not think so. If it were true, the standard of living in countries with a State monopoly should be far higher than in countries where there is no State monopoly, but that is not the case. Even in countries of free economy where co-operative development has not reached its maximum, the standard of living is higher than in the countries where there is a State monopoly. It is not, therefore, the size of the membership of a movement which shows the advantage of one type over another, but the type of work which the movement is able to do, and how it is able to do it.

In the countries of State monopoly, the existence and development of the Co-operative Movement is conditioned by the arbitrary decisions of the State, of the Government, since the development of the movement is entirely in the hands of the State. Of course, the Co-operative Movement in the countries of State monopoly can develop very fast, and in a very sensational way, so long as it is protected by the State, but you know from personal experience that in certain countries of State monopoly there are no means of struggling against certain monopolies. Those countries seem to think that that is the situation in countries with a free economy.

In the countries of free economy, on the other hand, the Co-operative Movement has the moral support of the public authorities, but in the State monopoly countries any struggle against monopoly is equated with a struggle against the interest of the people.

It would not be very realistic to expect the Co-operative Movements of the free economy countries to be compared with the Co-operative Movements of the State monopoly countries in their struggle against monopoly, so that there seems to be no ground here for discussing certain organisational problems which are peculiar to the different structures of the countries concerned. The Co-operative Movements of the free economy countries, therefore, must fight against their own monopolies, and we must leave the co-operatives of the State monopoly countries to solve their own problems. We must not waste time in useless discussion.

I have touched on questions here which are not the main object of my paper. I do so because I feel that we cannot counteract our unity by embarking on discussions which cannot further our ends. Fundamentally, we must work for the well-being of the people of all countries. We cannot work for the well-being of the people in every country individually, but as a whole that principle should be abided by and respected. That is one of the main principles which I feel should be the basis for the development of the world Co-operative Movement. We should realise what the various Co-operative Movements can do in the conditions in which they have to work, and encourage them to do what they can.

With these words of introduction to the paper which you have before you, I ask you to adopt the resolution which is annexed to it.

The President: I am sure that the Congress will agree to send its best wishes to Dr. Johansson for his speedy recovery. (Applause.)

Mr. Ch.-H. Barbier, Switzerland: It is very difficult for me, in the absence of our friend Dr. Johansson, to say exactly what I had intended to say were he present. We regret so deeply not having him with us that it is very difficult to express anything but the great sadness which we feel and the tribute which we should like to pay to him. It was as a tribute to Mr. Johansson that I intended to make my statement. It is true that I have a number of reservations on points of detail on this paper, and on certain fundamental points my views may not be in agreement with his and perhaps cannot be reconciled with his, but I must say that we have here not merely a good paper but a very fine paper indeed, because it gives us an extraordinarily clear and precise idea of the economic situation, emphasising certain simple but fundamental points which are of tremendous importance.

In this paper, too, we see two of the main qualities of Dr. Johansson, his analytical spirit and his spirit of synthesis. I have not time to go into this in great detail, but in order to show this I shall not refer to the main parts of the paper, dealing with oil resources or free access to raw materials, but shall refer mainly to the first two pages of the introduction, which in my view are a masterpiece, because here Dr. Johansson has analysed for us once again the idea of the consumer, as no one has done since Gide and Fauquet.

In his introduction, Dr. Johansson asks what we mean when we use the small word "we." What do we mean by "we"? He gives this very categorical and

clear answer : " The Organisations, the Societies and the Federations," he says, " are nothing but the tools of the members. They have to see to it that the objectives, on which the members have decided in communion, shall be attained by the appropriate use of the resources at hand of the Organisations."

He refers to the strength of the consumers, and says that the strength of the consumers, if adequately organised, must be of decisive importance in most cases. By that he means that the consumers' organisations are, by their very nature, compelled to play a decisive role in economic activities, because, he points out, " The sellers are dependent on the buyers, and the total number of the buyers is much larger than that of those interested in the maintenance of the domination of monopolies, that is, their stockholders. The buyers have at their disposal an aggregate financial power which largely exceeds that of any monopoly." I have always tried to put forward this point of view when discussing these questions. Nevertheless, apparently, it is very much more difficult to fight a trust on the national than on the international level.

" To a very large extent," Dr. Johansson tells us, " the domination of monopolies is established on the inertia and lack of enterprise on the part of the consumers."

I think that this is a description of the consumer and of his potentialities which is completely new. Moreover, Dr. Johansson describes the situation of the consumer in a State monopoly in a way which has not hitherto been done. He does not merely refer to the Rochdale principles or to the great ideal of freedom, of liberty; he quotes precise facts, and says that in countries where all economic activities are concentrated in the hands of the State the consumers are deprived of the right to choose freely their source of supply and are entirely in the hands of the State monopoly, and the possibilities of comparing the results of their organisations with those obtained by other organisations do not exist for them. If the State monopoly delegates some of its functions to so-called co-operative organisations the situation is exactly the same, since the consumers are entirely in the hands of the State.

In emphasising this point, I merely want to show how remarkable is Dr. Johansson's analytical thought. In reading these lines I could see his twinkling eyes and his raised finger as he tried to show us how we are likely to run up against a difficulty. In reading these very simple but very important words, I saw him bent forward, with a slight frown, as he thinks of the future. I want to thank him on behalf of all the Swiss Co-operators, and in particular on behalf of the Swiss delegation, for having given us so clear a picture of the present situation and of future possibilities.

The President: We have just heard that our friend Dr. Johansson who is in hospital, has been able to telephone to his secretary, and we hope and feel that this is a good sign of his recovery.

Mr. A. Zabojsnik, Czechoslovakia: I wish to say how much I regret Dr. Johansson's absence, because I wanted to say on behalf of the Czechoslovak delegation how interested we are in his paper. It contains a number of remarks with which we can agree, but a number also with which we cannot agree. The unity of the world Co-operative Movement could accelerate the development of the national Co-operative Movements. In his paper there are a number of ideas

which should be clarified from an objective point of view, and certain remarks in connection with the Co-operative Movement in countries of different social structure, but I feel that this problem would be over simplified if we merely believed that the Co-operative Movement as such is developing properly only in a given group of countries and that the movement as it is developing in another group of countries should be rejected completely, merely on the ground that those working in it work under somewhat different conditions, conditions which perhaps for many of us do not coincide with our ideas on life.

With regard to our Czech Movement, I could prove to you clearly, with statistical data, how well our Co-operative Movement is developing at present both in urban and in rural areas. In Czechoslovakia there is not a single locality without co-operative sales units, and we also have a very extensive co-operative production network which not only tries to make the best use of new techniques and discoveries but also tries to profit from the discoveries and innovations of Co-operative Movements abroad, irrespective of the country in which we find them. Our co-operative retail trade has a turnover of a billion pounds sterling.

I could give you further information about our development, but it must be understood that in recent years we have been suffering from the after-effects of the world war and the Fascist occupation and have had difficulty in overcoming these handicaps. This is reflected by the progress made by our Co-operative Movement. We can, however, report considerable progress, and we are particularly grateful for any assistance and advice which we can obtain from other Co-operative Movements.

I feel that the remarks which I have made will show you that the Co-operative Movement can develop very adequately not only in capitalist countries but in others, and can become popular amongst its members, the population of the country. The Co-operative Movement can develop in a country such as Czechoslovakia, where the results of our work benefit not only those who work in the movement but all the members, and can contribute to raising the well-being of the whole population.

Mr. J. J. A. Charbo, Holland : It is difficult, in my opinion, to add anything worth while to Dr. Johansson's paper, because it is so comprehensive and because the author has dealt with all the major aspects of his central problem. It is even more difficult to criticise it, or any essential part of it. It is, in our view, a masterpiece of long-term thinking and of what I might perhaps call commonsense idealism. The Netherlands delegation, therefore, desires to restrict itself to an expression of gratitude for this paper, and to express the hope that the resolution will be accepted unanimously.

We honour Dr. Albin Johansson for all that he has done in his remarkable co-operative career, for his example, his encouragement, his criticism, his good humour and his respect for smaller co-operative movements. We wish to convey to him our best thanks and our most sincere wishes for the future.

Mr. J. Voorhis, U.S.A. : I have asked only for the opportunity of expressing, on behalf of the United States delegation, a deep and heartfelt tribute to a very great man. The statement which Dr. Johansson has made is the statement of a basic principle not only of Co-operation but of life itself, the principle that if

enough people join together in mutual aid, and, on the economic side, if enough people voluntarily unite their needs and buying power together under competent management, there is nothing impossible to them. All the truly great names of human history have been names of people who have taught how men and women might apply the principle of mutual aid to the solution of their problems and the avoidance of their dangers. To this solution, instead of the solution based on force, fear and power, Dr. Johansson has devoted himself, and the name of Johansson will stand high in the list of great leaders.

Mr. M. Ceseri, Lega Nazionale, Italy : On behalf of the delegation of the *Lega*, I should first like to pay a tribute to Dr. Albin Johansson, who has submitted a paper which is of tremendous interest and very comprehensive. We should like to send him our best wishes for his recovery.

Dr. Johansson has submitted a very interesting paper dealing with the possibilities of development of the Co-operative Movement in the world and the need to attain the aims of the Movement by overcoming monopoly resistance. He tries to outline methods of improving the well-being of the people and of defending peace, and I feel that in these connections we can fully approve the considerations put forward in the paper. The paper, however, contains not only these general ideas but also practical proposals for the future work of the Co-operative Movement, and here there are certain matters of principle with which we cannot associate ourselves.

The first question is, what possibilities are there in the capitalist world for the Co-operative Movement to fight against monopolies. Dr. Johansson says that the Co-operative Movement in the capitalist countries can fight monopolies, but in his paper he deals with only one or two of the branches in which monopoly obstruction can be overcome, and these examples do not convince us that his point of view is valid for all economic branches. In Italy we have had certain results in our struggles against monopolies such as the sugar monopoly, and, as a result of our practical initiative in making collective purchases, we have been able to force the sugar monopoly to modify its price scales; but this success should not lead us to under-estimate the power of the monopolies. We should not forget that the private monopolists in all capitalist countries control energy resources, raw materials, financial resources and also the organs of the Press which form public opinion. The monopolies exercise a considerable influence on the political, economic and social life of the country, not only because they are economically powerful but also because they hold the levers in a capitalist State. That is why they have been able to attain this position of control, and that is why they are able to extend their powers of control, because now they are able to control finance, politics and economics by, in particular, exploiting the resources of colonial countries, banking on Cold War policies and exploiting the workers.

How can we indulge in economic competition with these capitalist giants? Everybody knows that so far as competing is concerned it just cannot be done. The fundamental idea in the paper of using new discoveries with a view to increasing exchanges in order to benefit the consumer is one which is interesting and justified, but absolutely inadequate; without subsidies and State support the results desired cannot be attained. We could fully support the ideas of Dr. Johansson if he had told us how we should develop in the various countries measures to fight the monopolies and take over some of the fundamental sources of raw

material which are at the moment entirely in their hands. This should be done in order to clear the way for new co-operative measures and initiatives, but to attain this aim Co-operation in the capitalist countries has to rely only on the Co-operative Movement itself.

We feel, therefore, that the best conditions for the development of the Co-operative Movement cannot be found and put into effect in a social system in which the speculators who are rampant in these countries are protected in their activities and where Co-operators are insufficiently defended. We fully agree with Fauquet when he says that Co-operators can in public organs find sufficient defence of their interests, but at the moment in the capitalist countries these organs are in the hands of the capitalists and monopolists.

The Co-operative Movement cannot be valid only in one part of the world and not in the other. We feel that the other social organisations pursuing analogous aims should contribute to the unity of the Co-operative Movement in all parts of the world. We feel, therefore, that the resolution before us should be adopted, but keeping in mind the considerations which I have put forward.

Mr. T. Ichiraku, Japan : I have come to Stockholm for the first time, and I have been considerably impressed by the happy life of the Swedish people. At the same time I also realise the background to it, which is the victory of the Swedish Co-operative Movement. I should like to pay a tribute of deepest respect to Dr. Albin Johansson and the other prominent members of that Movement, who are making efforts to produce such great results, and I fully support Dr. Johansson's proposal, in which such great spirit and such valuable experience has been embodied.

In an Asian country there are different circumstances, to say nothing of differences of language and of national characteristics. However, I feel that the distribution of natural resources can be done in a friendly way. There are also many differences between our national activities. In order to overcome this, a strong measure of Co-operation among our co-operative organisations must be eagerly sought, and, in order to carry out this co-operation, we should always prefer mutual concessions in a spirit of broadmindedness, over-riding differences in ideology or in system. To know and try to understand the goodwill of the other partner is particularly necessary to-day. In this way we can realise the spirit of mutual aid on the international stage, based on the purpose of the Co-operative Movement, and seek means to establish and guarantee the peace of the world. Our small individual efforts can be systematised by our organisation and become a strong force of public opinion to bring pressure to bear on and to influence our Governments.

We Co-operators can support Dr. Johansson's resolution and take one step more. I am not, however, completely in favour of Dr. Johansson's paper, and about some paragraphs in it I am sorry to say that I am a little doubtful. Such small points can, however, be overlooked. Finally, I hope from the bottom of my heart that Dr. Johansson will soon recover from his illness.

Mr. H. A. Cowden, U.S.A. : I regret exceedingly that my good friend Albin Johansson cannot be with us to-day. Everyone who has spoken this morning has said that, and I say it again. I have been glad to be in Stockholm these past few

days, if only by my presence to pay tribute to a great man, a man whose genius and untiring energy have done so much for the people of Sweden, and not only of Sweden but of many countries, including my own, the United States. For many years he has been an inspiration to me, as I am sure he has been to many others. When I walked through the great co-operative exhibition yesterday morning with him, it seemed to me that it reflected his own personality and ingenuity. He is a man of a rare type, for he combines high idealism with practical ingenuity, and so his paper reflects many years of creative experience. I consider it an honour, therefore, to second the resolution and to make a few brief comments on some of the points discussed in his paper.

He refers in his paper to the Consumers' Co-operative Association, the organisation which I have the honour to represent here, as an example of integration and of "moving backwards," as he puts it, into the production of raw materials. The C.C.A. and other American regional co-operatives have moved backwards into production, first into refinery operation and then to pipelines and finally to the production of what we call "black gold." On Monday, in connection with the report of the I.C.P.A., I made the statement that American co-operatives owned 2,900 oil wells. I should now like to say 2,901, for yesterday I received a cable which may not mean much to you, but which means a great deal to me.

Our geologists came to me some four months ago and said "Here is a new area which we should like to explore. We should like to drill a well" – what we call a wild-cat well, far from other production. It is an expensive matter, costing \$90,000 to drill the hole and \$165,000 to complete it if we have the oil. The geologists made their reports, and we gave them the money, and yesterday I had this cable, which tells me that this well, on which so much depends for us, was tested through the drill stem at 600 lb./sq. in., and it looks like flowing and it looks like being the greatest well we ever had. It is probably worth five million dollars to-day, but it is not for sale!

We also have the production of nitrogen, and now a group of co-operatives have moved "backwards" to the production of phosphates. We have purchased a large area of phosphate beds and are building a plant for processing, so that we shall own the raw materials all the way to the source.

We are doing this – and other great organisations represented here have also moved back to the production of raw materials – for two reasons. First, because of the savings to be made – and they are very substantial – in petroleum. We are also finding them substantial in fertilisers. Secondly, and perhaps more importantly, because this is the way to be free of the monopolies; to the extent that we produce crude oil of our own – some of these wells are on the farms of our members – and run it through our own pipelines and refine it in our own refineries we are completely free, and no one can put any barrier in our way, because we take the oil out of the ground and process it and deal with it all the way through.

I have been very much impressed by the representatives here of the under-developed countries and have been moved by their pleas for help and by the hopes which they express in the I.C.A., which means in us, in all of us. I would remind the Congress that they represent agricultural countries, and that the I.C.A., in making its plans to help these countries and the peoples of these countries, must make its plans on the basis of farmer-consumer relationships. These are

mostly people who work in the fields, and our plans must take that into consideration. I should like to see us increase our activities in other countries and our efforts to bring about closer relations between those who work on the farms and those who work in the factories.

Next, I share Dr. Johansson's desire for the expansion of the I.C.P.A. as one of the means of curbing monopoly and of making petroleum work for peace. How else can it be done? How else can we have some effect on the prices that people pay for this important commodity? We cannot do it by resolutions; we must do it by action, by producing the processing and controlling it all the way through. I express the fervent hope that every national movement represented here will help in the development of the I.C.P.A. In this connection, I should like to say that I was pleased to hear the representative of Switzerland make the statement which he did on Monday in connection with the report of the I.C.P.A. I am going back home more determined than ever to do my utmost to help in the development of international co-operation, particularly as it applies to petroleum.

Finally, I should like to say that this paper, about which I have no reservations whatever, may very well become an historic document. I look on it as a blueprint for progress, and it reminds me in its concept of a motto which is carved on the wall of the directors' room of the C.C.A. in Kansas City, and which says, "Make no little plans, for they have not the power to stir men's souls." I want to see a lot of souls stirred!

Dr. A. Vukovich, Austria: I too wish to say how upset I am to hear of Dr. Johansson's illness and how much I hope for his speedy recovery. Dr. Albin Johansson is not only one of the leading figures of the world Co-operative Movement; he was and is one of the most outstanding of men, who has a tremendous wealth of thought and who – and this is much rarer – has been able to implement his remarkable thoughts and put them into practice. I hope that he will long continue to work in the Co-operative Movement.

I should like to pay particular attention, as Mr. Barbier did, to the introduction to Dr. Johansson's paper and to make a few remarks on some individual points, supplementing one and emphasising the importance of another. He asks in his introduction who are "we" and what are the aims that we claim to be pursuing. In his view, our aim is a constant struggle to raise the living standards of the people and also to increase the number of Co-operators who can use and share in the enjoyment of the fruits of life. It is true that we all aspire to this, but I should like to say that the aim of the Co-operative Movement in our direction goes even further, because we strive for the better co-existence of peoples and for mutual understanding of the peoples. We are trying to make it possible for them to talk to each other and exchange ideas, instead of fighting each other; all this with a view to introducing more equitable and fair social conditions. This is of vital importance not only to Co-operators but to everybody. Not only from the economic but also from the spiritual point of view we want Co-operators to make their contribution.

The second question, which is extremely important, is one to which the Swedish Co-operative Movement, under the leadership of Albin Johansson, has made a considerable contribution, the struggle against cartels and monopolies. Dr. Johansson is particularly well placed to talk about this. He says in his paper that

the power of the monopolies is made possible by the inertia and the lack of enterprise and initiative of the consumer masses. That is why certain barriers arise in the economic life of the world which make it possible for monopolies to thrive.

Dr. Johansson is convinced of the usefulness of free enterprise and free access to raw materials, and also freedom in the use of the latest discoveries and inventions. He says that it is one of the weak points of mankind that they always strive for more comfort and a quiet life. That applies also, perhaps, to our movements; we must not feel that so long as we are comfortable we can relax our efforts. The Co-operative Movement is frequently criticised to-day for being a tremendous concentration of power, but it is very important in our struggle against monopolies and cartels. If the co-operatives are to do useful work they must have force and power, and therefore, the concentration of power in the Co-operative Movement is a necessity, and not something to be criticised. We have, of course, to see how this power of the co-operatives is used and to what aims it is directed, but the power which is concentrated in the State in the State-economy countries is far greater than any power which we have in the co-operatives. Our force is a counter-force against forces that are stifling the life and energies of the people. We must have a positive and constructive approach to strengthening the power of the Co-operative Movement. In our struggle for freedom and equity, we have to use our strength against powers which are strong only for themselves.

Dr. Johansson says at the beginning of his paper that we must set an example, and that what the consumer wants to know is that he has strength to back him.

✓ **Mr. B. J. Patel, India:** I should like to take this opportunity to pay a tribute from the Indian delegation to this Grand Old Man of Co-operation, who has produced such an admirable paper. I must confess that I have been greatly inspired by the high idealism which lies behind this paper. I found the paper so fascinating that I had to read it two or three times, and I consider it the best paper presented to this Congress.

I do not propose to go into details regarding the various items contained in the paper, but I wish briefly to refer to certain broad principles which are found in it. In India the Co-operative Movement was regarded as a weak movement compared with others, and in my young days, when I thought of joining the Co-operative Movement it was pointed out to me that before doing so I should think deeply about it. I did so, and, though I joined the Movement subsequently, I found that there was some substance in the charges levelled against us. Is there anything that we can do to remove this inherent weakness? I find the answer in this paper. Our movement is weak for this reason, that it is nothing like a real movement. There are different co-operative organisations which may be doing very well, but they are not so integrated as to constitute one Co-operative Movement even in one country, much less in the world as a whole.

If, however, we follow the advice of Dr. Johansson and take steps to integrate our Co-operative Movement and make it a world Co-operative Movement, with lofty ideals for world economic development, then the charge against us, that we are members of a weak movement, will be totally removed. He has suggested how we ought to do this. In India – and probably it must be so in other parts of the world – when we organise any co-operative organisation the object is the economic

development of the members, so far as a practical organisation is concerned. Dr. Johansson's idea is that we should organise, or rather re-organise, the world Co-operative Movement so that the ideal of the economic development of the world may be achieved. If we follow his advice and try to integrate the movements of the different countries, there will probably be greater scope and opportunity for the economic improvement and development of all parts of the world.

The distinguished author, in choosing a title for his paper, has rightly selected the title "Co-operation in World Economic Development and Peace." He rightly thinks that peace is to be attained by economic development, to be achieved in a co-operative way. I entirely agree with him, and I should like to take this opportunity to express my conviction that the peace which we want to see established in the world cannot be obtained from somebody else. If somebody gives us peace, he who does so will establish domination also. Peace must be established by all the citizens of the world; every citizen has to contribute something so that peace may be achieved. Dr. Johansson suggests a way in which every citizen will have an opportunity to work for peace. If we can secure the economic development of the world we shall reach a stage where there will be no necessity for disputes and for competition. He has rightly called his paper, therefore, "Co-operation in World Economic Development and Peace."

With these few words I again pay our tribute, the tribute of India, to this Grand Old Man of Co-operation.

Mr. C. Zambelli, Lega Nazionale, Italy : We fully agree with the author of this paper when he says that Co-operation must be an efficient instrument for raising the standard of living of society as a whole and of all consumers; nevertheless we feel that Co-operation is useful even in those countries where it has not been fully integrated. In Italy, a capitalist country, Co-operation cannot be integrated to the full extent because the monopolies represent a very important power which still holds the means of control in very many important sectors of public life. Everybody knows that only 40 years ago the Fascists, representing capitalist ideals, destroyed most of our Italian co-operatives, and it is true that even to-day the work of our co-operatives is obstructed by the public authorities when our Co-operative Movement seeks to achieve its aim of fighting monopolies and defending its members from capitalist exploitation.

I could quote many examples if I had time to do so. Even in such conditions however, our co-operatives, supported by their members are developing extremely useful activity in the interests of their members. This can be shown by the following facts. In the province of Bologna there are two societies, members of the *Lega*, serving 550,000 people. The average price of primary products in the course of the last year was 9 per cent lower than prices on the private market. At the present time our co-operatives are developing new branches of activity. They are providing a network for the production of durable goods. This makes it possible for our members to save a considerable amount of money, and, thanks to co-operative effort, they can buy certain products from the producers direct. We have also managed to put into practice direct exchanges between the agricultural co-operatives and the consumer co-operatives, with considerable benefit to the consumers. Also, as decided at our last conference of wholesale co-operatives, we are trying to set up new co-operative wholesale stores and to increase the variety of the products

made available to consumers. We are attempting to encourage the adoption of the most modern techniques in production, and particularly in co-operative distribution, and we feel that this will make a valuable contribution to the good work.

These achievements are very modest compared with what has been done in a number of other countries, and particularly having regard to the requirements and needs of our country. That is why we call on Co-operators to support the Co-operative Movement in their country and also to struggle for the establishment of democratic control over the monopolies with a view to restricting their power, which would be a first step towards their complete elimination. That is why we fully support the proposal for exchange of experience and trade between the Co-operative Movements of all countries, and why we are in favour of all practical initiatives which may be undertaken by the Alliance and its subsidiary bodies to develop the Movement via, for instance, the extension and development of capital investment.

The Co-operators of my country expect the Alliance to speak out firmly against monopolies and to show that it is a true friend of the small Co-operators who are our members and who are willing to struggle for peace. If the Alliance will be sufficiently outspoken in supporting these noble aims, I feel that this will be an inspiration to the Co-operators of all countries, and particularly to those of my country, in striving for a better world.

The President: I have 10 speakers on my list. Do you agree that the list should be closed? . . . The list is closed.

Dr. E. Hasselmann, Germany: The resolution annexed to this paper deserves our full support, and we of the German delegation are glad to support it fully. We are particularly impressed by the paper which Dr. Johansson has submitted because it is inspired by a true spirit of internationalism, and I feel that this internationalism is indispensable to-day; it represents progress and the future. The prophetic views of Dr. Albin Johansson open up the future to us. We must not only worry about the future but take active steps to meet its problems. If we do not do this the competing organisations will overtake us and we shall not be able to set up the organisations which we ought to develop. We must take effective measures to put into practice the ideas contained in this paper.

In conclusion, on behalf of the German delegation I ask you to transmit to Dr. Johansson our very best wishes for his speedy recovery.

Mr. D. Scull, U.S.A.: I hope that these brief remarks can be thought of as an extension in the spirit of Dr. Johansson's excellent paper. My point is that we need, particularly at a Congress such as this, to go beyond the strictly economic aims of our Movement. Our Movement is not an end in itself but a means to an end. The goal is a good life, a free life and a happy life for all people everywhere. We unite as consumers because this is the most basic common ground on which we can meet for mutual economic effort.

We in America are very conscious of the need to increase consumption, to raise the standard of living, to eliminate many of the inequities which exist in the world,

but we must remember that consumption in itself is not what is important; if it were, our hero would be the man who eats most, wears the most clothes and lives in the biggest house. The object of consumption is to enable men and women to live. To think only of consumption without freedom is to think of the geese that are staked down so that they cannot move and are fattened to make *paté de fois gras*, if I understand the system correctly.

It is the special feature of the Co-operative Movement that its means of voluntary self-help are consistent with the ends we seek, and in themselves call out the best in man. Co-operation is opposed to restrictions on the free exchange of ideas and people and goods, because in the last analysis these restrictions make the good life harder for our members and our fellow men to achieve. We oppose war by any means and warlike preparation because the act of killing and preparation for killing are a denial of the sacredness of life. We oppose the concentration of wealth and power whether in Government or in private hands and whether they are supposedly used for the good of the people or not, because freedom to make decisions, even if they are wrong, is the most precious expression of the human spirit. We oppose Government domination or undue influence on co-operatives because this denies the members the opportunity to achieve a sense of self-determination. We oppose racial and religious discrimination and colonial domination because these are denials of the integrity of the individual.

We deal with material things in the Co-operative Movement, but this is only in order that people can rise above material limitations. We are not materialists, and in the pressure of our everyday operations and in the considerations of our internal problems we must not allow ourselves to be materialists. In the sense that we are concerned with the spirit of man we are a spiritual movement, and the I.C.A., as the highest organ of the world Co-operative Movement, should never hold a Congress without making it clear to the world that we continue to hold to this belief.

Mr. P. Soiland, Norway: We of the Norwegian delegation were very sorry to learn this morning of the illness of Albin Johansson and that he would not be able to come here personally to present his very fine paper. It would have been a great experience to see him in action on this occasion. Many nice things have been said about his paper, and it is not easy to add to what has already been said, but I think it is right also to call his paper a great charter of freedom and voluntary co-operation.

It was for a special reason that I asked to speak, and that is to refer to some remarks made by a speaker from the *Lega Nazionale* of Italy, who criticised to some extent the paper of Dr. Johansson by saying, "He asks us to fight against monopolies, but he has not told us how to do it." That comment must be due to not reading the paper with sufficient care. What Dr. Johansson has told us in his paper is that we who believe in Co-operation must organise the buying power of the people, and that if they have power to organise themselves the consumers are the greatest power in every society. Under the heading of "An Enlightening Example," he tells us that it has even been possible for Co-operation to fight against the strongest and most powerful monopolist bodies of which we know, the big private companies in the oil business and in the business of oil distribution. Even there it has been possible. In my own little country of Norway we are now

going to try to explain to farmers and others who use mineral products that it will be possible, by joining together, even in that field to organise co-operative development.

I want to conclude by saying that we in Norway have derived a great deal of inspiration from this paper. Dr. Albin Johansson has been able to show us all new possibilities and has made it possible for us to recognise things which we do not always see in our daily work. We are therefore very grateful, and we shall vote for the resolution.

Mr. B. Melvin, Canada : There is very little that is new to be said, but we of the Canadian delegation, during the past few days, have seen here in Stockholm the evidence of a strongly-developed movement the various elements of which work in close harmony and co-operation together, with a singleness of purpose which is also very evident, namely to serve the people of this city and of this country. This is the result of a great deal of work on the part of a great many people, greatly devoted, over a long period of time; but I am sure that I am right in saying that these people have been inspired and have been led and, I imagine, at times goaded by a brilliant man, dedicated to the welfare of the people of Scandinavia and indeed of the world.

It had been a matter of great satisfaction to us of the Canadian delegation, when we contemplated this Congress, to think that we should hear Dr. Johansson present his paper this morning. We very much regret that he is suffering from indisposition, and we join with the rest of the Congress delegates in an expression of sympathy and of good wishes for a speedy recovery.

We from Canada speak in support of the resolution and in appreciation of the paper out of some experience in the field of co-operative production. I shall take a risk and, although the past is a little misty and cloudy so far as this is concerned, I think it can be said that the first co-operative oil refinery in the world was erected in Saskatchewan in 1935. At any rate that is what they tell us back home. In any case this refinery has developed very satisfactorily and has proved to us the benefits which come from the sort of activity about which Dr. Albin Johansson has written.

Very briefly, I can say that our consumers are moving back further and further along a variety of lines towards the production of their own requirements, while our agricultural co-operatives move forward in the processing of their products. We look for a meeting of these two groups in the future in the interest of the people as a whole. I should like to express the strong support of our delegation, therefore, for the ideological basis of this paper and for the very practical suggestions which Dr. Albin Johansson makes, which will when implemented, result in the greatest welfare for the people of his area and of our areas and of the world as a whole.

Mr. F. K. Aboagye, Ghana : Dr. Johansson has shown us that monopolies can be fought by means of consumer co-operatives. There is hardly any doubt that not only by consumer co-operatives can monopolies be fought to a standstill and subsequently paralysed, but also by other phases of co-operative activity. This has been borne out, for instance, in my own country, Ghana, in the marketing of the cocoa which we produce, which is the mainstay of the country. Whoever controls cocoa in Ghana controls more than half the economy of the country.

After the first world war, the marketing of this vital product was completely in the hands of foreign capitalist firms. They dictated the price of cocoa and combined to buy the product at their own price and in their own interest. Inasmuch as they held a monopoly of buying, they paid 6d. to 1s. per loan of 60 lb. of cocoa. The conditions were such that the farmers burned many tons of cocoa rather than sell at such prices. The action of the firms resulted in a hold-up by the farmers in 1937, and subsequent tension led to the setting up of a marketing board. Before this time co-operatives had been formed and were trying to find their feet. Within 10 years of the setting up of the board, the co-operatives have moved from a subsidiary position to the first position among the list of buying agents, and have tenaciously adhered to it. Our members control and market more than one-fifth of the total produce. There are many other buyers, some of whom are Africans. Gradually, therefore, the monopolist is having to yield ground; no longer does he dictate the price and control the bulk of the cocoa trade.

How did we do it? Quietly we have worked our way upwards by education of our members and others who are attracted to our way of life. Now that we have achieved the independence of our country and the power to make laws is in our own hands, the remaining task lies with us and we know that it can be done.

We fully support this excellent paper, which is a great step forward in co-operative progress.

Mr. E. Mazzoli, Lega Nazionale, Italy: I have read with great interest the paper by Dr. Albin Johansson and agree with the ideas which he puts forward, but on one point I wish briefly to express my views. The paper deals almost entirely with Co-operation in economic development and does not refer to Co-operation and peace, with the exception of one short sentence in which the author considers the contribution of Co-operation to the cause of peace, only as a consequence of the economic activities of Co-operation. I think it is right to consider that this relation between Co-operation and peace is not adequate, because it does not take into consideration the fundamental strength of real Co-operation based on mutual help and beliefs; that is to say, the strength of millions of members, men and women. The I.C.A. has on several occasions called on Co-operators to work incessantly for the defence of peace. We are glad that the President of the I.C.A., on behalf of the Congress, made an appeal to the Governments and to Co-operators to work for universal peace.

What distinguishes in a decisive way the co-operative society from capitalist enterprises is the collective character of the co-operative, the presence in it of a large membership. In every country of the world millions of men and women look with trust to Co-operation. The action of Co-operation in the defence of peace is the action of tens of millions of men and women. The desire of Co-operation for peace must be brought to the attention of all working people in town and country in every nation. Our action to defend peace is not fulfilled by deliberations, however solemn and important, which take place here, no can it be based on our productive and commercial activities, essential though these are.

I wish in conclusion to emphasise once again the need to take into consideration in this matter the strength of our Movement, based on its large membership. I propose, therefore, that the national co-operative organisations be invited to

promote press campaigns and meetings of our members and public gatherings, aimed at strengthening the force for peace in the interests of Co-operation and its humanitarian and progressive ideals.

Mr. A. Seracchioli, Lega Nazionale, Italy : I fully agree with Dr. Albin Johansson's paper and share his ideas. I feel that his ideas will not merely remain ideas, but will be applied in practice. I do not think that the fact that in certain countries there are industrial or trade monopolies can be a permanent obstruction to the Co-operative Movement, even though it may hold up the development of our Movement for a time. The Co-operative Movement holds the future in its own hands, and it will succeed in the future if it can base its strength on the principle of freedom, which is the foundation of our movement and which has been the inspiration of our leaders in the past. If we turn away from this ideal, Co-operation will switch to other aims and will fundamentally alter the very reasons for its existence.

That is why I feel that we owe a great debt to Dr. Johansson, because in his paper he has outlined for us the path by which we can achieve the ideals of our co-operative predecessors from the pioneers of Rochdale onwards. I feel that the main contribution which the Co-operative Movement can make to peace is by defending its principles of freedom and brotherhood, ideals which prevent us and must in the future prevent us from closing all the windows which are opening up around us on to a world which is different from ours, but which must make us close the windows to those ideals which are not those of Co-operation or of peace.

Mr. Y. A. Kistanov, U.S.S.R. : We know that Dr. Albin Johansson is one of the oldest personalities in the Swedish Co-operative Movement, and we know him as a man who has made a tremendous contribution to the development of the Co-operative Movement. We should like to say how much we regret that he is not here personally, owing to his illness, and we express the hope that he will make a quick recovery. We wish him health and many years more of work for the well-being of the Co-operators of the world.

In his paper Dr. Johansson describes the Co-operative Movements of the Western countries of Europe and of North America, and he calls on us to consider the experience of those movements and to learn from that experience. We feel that certain lessons can be obtained from this experience, but we also feel that certain lessons can be obtained from the co-operative experience of other countries too. In this connection I should like to make a few remarks on the substance of the paper. If we deal with the substance it is because we recognise the validity of the paper. We are very satisfied with the author's appeal to respect the principles of Co-operation, Co-operation which has been put into effect in various conditions. We approve of and like the spirit of true internationalism which fills the paper.

On the other hand, when he refers to countries which represent many millions of people, countries with a new social structure, we feel that he is not quite correct in calling this structure State capitalism. What is State capitalism? To have capitalism you must have capitalists, yet these countries have no capitalists. The characteristic of these new regimes, as is well known, is the collective ownership of the means of production, so that we can hardly agree with the description of these countries as countries of State capitalism, and we feel that this interpretation

is not correct. Our countries, the countries of the Socialist camp, have done away with private ownership of the means of production and eliminated the exploitation of man by man. All the social relations of our countries are based on the public ownership of the means of production.

It is perfectly true that in these conditions the attitude of the Co-operative Movement to its structure and to the Government differs from that in other countries. The Governments of the countries in the Socialist camp ensure particularly favourable conditions for the development of co-operatives, and this is a tremendous step forward as compared with the attitude of the Co-operative Movement of the former Governments, which only tolerated the existence of the Movement. In the present new conditions the Co-operative Movements in these countries are developing to an unprecedented extent. In the Soviet Union, for instance, all agricultural production is based on the co-operative principle, and the whole peasantry works on the principle of the Co-operative Movement in co-operative units. Consumers' co-operatives are developing considerably; we have 33 million members.

It is not true to say that our Co-operative Movement is one-sided. It is a universal movement. We have a very large co-operative trade, and we carry out enormous purchases of agricultural products. It is said that we have no co-operative production, but that is not true. In 1956 we had production to the value of 12 billion roubles, and that, I think, is a fairly interesting figure.

Our country is a country of civilised Co-operators. Their life is based on the principle of the public ownership of the means of production. We are not surprised, of course, when some people say that our Co-operative Movements have merely a co-operative label on them. You can find this reflected in Dr. Johansson's paper. We are not surprised at this; it can be explained to a certain extent by the fact that our movement has not been studied sufficiently. We are surprised, however, by the arguments advanced by certain speakers in order to support their view. We are told, for instance, that we do not work in the towns. What has that got to do with whether a movement is co-operative or not? It does not matter, from that point of view, whether it works in towns or in rural areas. In fact, however, a large proportion of our co-operative turnover is due to town activities.

We feel that a principle of the Co-operative Movement should be the ownership of the means of production, supported by the Government, and a fundamentally democratic basis, and all this we have. In what other countries is co-operative ownership of the means of production considered as one of the fundamental characteristics of the social structure? That is one of our main principles.

We are introducing new methods of work, and this is perfectly natural; in new conditions innovations must be made. We support the principles of the Rochdale pioneers and implement them, but we do not feel that we should rest on our laurels and do nothing more. The Rochdale principles were evolved a hundred years ago, and we should be betraying the spirit of the Rochdale pioneers if we did not adapt the principles of those pioneers to the ever-changing conditions in the social structure and economy.

In the remarks which were read on Dr. Johansson's behalf it was stated that our Co-operators are less conscious of the situation, apparently because there is no competition. That is not true. We have competition between different branches.

Co-operation competes with the Government branches of trade. We do considerable education work in our Co-operative Movement. We feel that we interpret correctly what Dr. Johansson suggests in his paper, that we should approach our problems from an international point of view. Together with the capitalist system, we have in this world a system of Socialist Governments. The whole world must strive to defend the interests of Co-operators and, regardless of the conditions in which they work, we must strive to find unanimous decisions on co-operative problems.

We are grateful to Dr. Johansson for his paper and for describing the situation of the Co-operative Movement in the capitalist countries, and also for giving us the possibility of making our contribution to the solution of the problems facing the Co-operative Movements of the world.

The President: The last speaker on my list is Mr. Harold Taylor.

Mr. H. Taylor, Great Britain: There is contained in the opening lines of this remarkable paper a pertinent challenge to every one of us. The small word "we" stands out conspicuously in this paper, and Dr. Johansson reminds us that there must be an organic relationship between the member and the leader. There is a grave danger when we attend our Congresses, and particularly a Congress of this magnitude, so representative in its character, of forgetting the individuals who lie behind our movement and to whom we are responsible. It is a source of regret to some of us that in some of our democratic countries there is a grave danger of the gap widening between the individual member of the society or other organisation and the actual leader, and we are apprehensive that the more that gap widens the greater is the danger of a dictatorship, no matter what the nature of the country may be.

Co-operation, mutual aid, freedom, peace – these all begin with the individual. We have often been reminded of this, and in particular we were reminded of it by the great apostle of brotherhood who emanated from Italy, Mazzini, who in his exposition of the principles of brotherhood and freedom followed the tradition taught and practised by the lowly Nazarene from Palestine, whose principles and whose spiritual urge have never yet been surpassed. We are all convinced that in the last analysis no materialistic philosophy will ever unite mankind. It goes infinitely deeper, for beyond and below every economic problem there is a political problem, and below the political problem there is basically a spiritual problem.

This question of peace and freedom will never ultimately be solved in the vast assemblies of the world; it must commence with the individual. How can you have universal peace if you cannot live and work with your next-door neighbour? This has been enunciated throughout the years and in every country from which we come, by Gandhi in India, by Kagawa in Japan, by the lowly Nazarene in Palestine. We all know that if we take it to heart we must be prepared to tolerate and work with our next-door neighbour. Co-operation is enshrined in the importance of the individual, and I for one feel that, whilst it is difficult and dangerous to be prophetic, this Congress will go down in the annals of human history, and of co-operative history in particular, as the Congress at which we recognised our relationship to our brothers and sisters in those parts of the world, who have not been born quite so fortunately as ourselves.

In conclusion, I want to say that I for one feel privileged to be associated with Albin Johansson. He has performed a great service, in harmony with those others who have served humanity, and for my part I feel that no praise is too great to extol not only the writings of Albin Johansson but his tremendous service to the cause of Co-operation and humanity.

The President: The discussion on Dr. Albin Johansson's paper is closed. We all realise what a misfortune Dr. Johansson's absence has been. When the Central Committee decided to put his paper on the agenda of Congress, it felt that this was a tribute paid to a man who for over 50 years has given such splendid service to the Co-operative Movement. He entered this movement at the age of 17, and followed this up by studies in Sweden and in Germany. After that, his role in the Swedish Co-operative Movement became increasingly important. The success of the Swedish Co-operative Movement, particularly in the struggle against monopolies, is the result of a combined effort, but there is no doubt that in this effort Mr. Johansson has played the most prominent part, and therefore all Co-operators have for him a feeling of tremendous friendship and profound gratitude.

The last thing that he did before his retirement was to arrange for the exhibition which has been organised under the slogan "No Frontiers." But Albin Johansson has not retired entirely; he is to remain in the Central Committee and remain by the side of our Swedish friends to inspire them in their work. His task is not over, and we beg him to struggle against the onslaught to which he was subjected last night in order to continue by our side.

We have now to consider the resolution accompanying the paper and come to a decision upon it. No amendments have been submitted, and I propose to put it to the vote by show of hands. I ask those in favour to raise their hands. Are there any against? Are there any abstentions? . . . There are none.

I declare the resolution carried unanimously. (Applause.) I am convinced that this will be a source of great satisfaction to him.

Resolution

The 20th Congress of the International Co-operative Alliance, representing Co-operative Organisations in 41 countries,

States—

that scientific research and technical progress have, over a long period of time in the history of mankind, made contributions to ways and means whereby to raise the standard of living of the populations;

that the forms in which technical progress is nowadays taking place require co-operation across the national frontiers, and that, in order to give full effectiveness to such co-operation, barriers now existing at national frontiers, interfering with the progress of technology and with international trade should be abolished or reduced;

that the Co-operative Movement has a strong inherent interest in taking its part in the promotion of technical progress, which participation presupposes its right to integrate into industrial activities of its own and into production of its own of semi-manufactured goods and raw materials;

that in order to facilitate the exploitation of inventions and technical innovations, which is frequently only possible by means of large-scale production, the establishment of international co-operative enterprises for production and trading is desirable;

that participation in the work for technical progress and in such international co-operative enterprises is possible only for organisations in those countries where free enterprise prevails and where the Co-operative Movements have been accorded the right to exploit inventions and technical innovations acquired by them in enterprises of their own.

The Congress exhorts the Affiliated Organisations—

powerfully to promote such activities in the field of technical research as are now being carried on by them with a view to improving present methods of production and to bringing about inventions useful to consumers;

to utilise all opportunities to embark upon new industrial and other activities on the basis of patent grants acquired from inventors and elsewhere, centring their efforts in the first place on new consumer goods or on such commodities as are designed to facilitate household work and to contribute to providing comfort to the family circle;

to give their support to efforts to establish International Co-operative cost-reducing large-scale Enterprises established in order to exploit patent grants in such fields.

The Congress assigns to the Central Committee and the Executive of the Alliance to strain their efforts to apply within the framework of all different economic systems the free and voluntary form of co-operative enterprise, and to assure that the right of the Co-operative Movement to carry on independent activities at all stages of production and distribution shall be acknowledged in principle and practice.

The Central Committee and Executive are authorised by the Congress to support, with all their powers, all efforts to abolish or reduce the barriers at the national frontiers which are now raising almost insurmountable walls between the Organisations in the various countries and obstructing all their efforts to collaborate.

The Congress declares, as its unanimous conviction, that the efforts to establish Peace and Security in the World will be powerfully supported if the frontiers between the nations are opened so that the Co-operative Programme can be put into practice at the international level.

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International Co-operative Trade— Its Difficulties and Possibilities and the Widening of Contacts with a view to the Exchange of Experiences in Co-operative Activities

Resolution

The Twentieth Congress of the I.C.A., considering -

That the question of development of International Co-operative Trade, strengthening of contacts among co-operators of all countries by means of mutual exchange of delegations, technical documentation, publications, students of co-operative schools is a matter of vital importance for all National Co-operative Organisations and for the whole International Co-operative Movement ;

That International Co-operative Trade and other forms of collaboration promote the development and strengthening of National Co-operative Movements and of the whole International Co-operative Movement and contribute to the economic development of peoples and states and collaboration among them ;

That International Co-operative Trade is of great importance in raising the well-being of the populations ;

That International Co-operative Trade is of special importance for the co-operative organisations of economically under-developed countries, promotes the development of the Co-operative Movement in these countries, as well as the role of co-operatives in the struggle for the all-sided progress of the peoples of these countries

Decides :

1. To recommend to all National Co-operative Organisations and bodies of the I.C.A. to do their best and take all possible constructive measures in order to increase the volume of trade between co-operatives of all kinds of various nations.

2. To recommend to National Co-operative Organisations— (a) that they should demand from their Governments the diminishing or the abolition of existing restrictions in the domain of International Trade ; (b) that they should support before their Governments the creation of a Universal International Trade Organisation acting within the framework of the United Nations, with due consideration being given to the principles which were laid down in the Havana Trade Charter ;

3. To approve the activity of National Co-operative Organisations in the widening of barter transactions directly between National Co-operative Organisations, mutual credits granted.

4. To deem it necessary to widen the scale of the exchange of co-operative delegations, technical documentation, literature and students on the basis of mutuality, without discarding other forms of contacts.

The President: There remains the question of the amendment to the resolution submitted in connection with Mr. Klimov's paper yesterday. I must repeat two things. The resolution submitted by the Central Committee is a draft resolution to which Congress amendments may be made. It is not because it is a Central Committee resolution that it is contended that no amendments can be made to it. That Congress is entitled to make amendments is made clear in a number of articles in the Standing Orders. I refer to Articles 10, 11, 14 and 16, in which it is made clear that amendments can be submitted in the course of the discussion. Further, it is made clear in Article 16 that the role of the Congress Committee is to try to get agreement on the amendments submitted.

We referred Dr. Bonow's amendment to the Congress Committee. The Congress Committee met and came to an agreement on a text which is very short, and which has the unanimous agreement of the Committee. It consists of only two sentences, so that I do not think we need wait for it to be distributed in writing. It is, to insert after the first paragraph of the *considerandum* the following :

“ That regional agreements in Europe and other parts of the world facilitate an increase of international exchange, and that in this collaboration the defence of co-operative interests should be assured, and that this collaboration should not hinder the conclusion of wider international agreements, covering the whole of Europe and the world;”

Mr. J. Corina, Great Britain : I have to make a request to Congress. It is that, in view of the ambiguity of the proposed wording, and the fact that our delegates have had no opportunity to consider it, together with the implications of a very important constitutional difficulty which has arisen, this item be dealt with after the adjournment, in order that we may consult our delegation. If that is acceded to I have nothing further to say, but, if it is not, we desire to speak against the amendment as it is now presented to us.

The President: I think we must accept the proposal to adjourn this matter until the afternoon session.

Close of the Seventh Session.

International Co-operative Trade— Its Difficulties and Possibilities and the Widening of Contacts with a view to the Exchange of Experiences in the Co-operative Activities

Procedure.

The President: We are now starting our last Session of this Congress, and I feel that with the goodwill of all the delegates we should be able to finish in accordance with our time-table. We have to deal with the subject of Management in our Times, and for this I have six speakers on my list. We cannot devote more than one hour to the consideration of this matter, and I ask you to agree to my closing the list of speakers.

The Congress agreed.

The President: We must come to a decision on the resolution relating to Mr. Klimov's paper. Copies of the amendment have been distributed, and we hope that it will be acceptable to you all. The amendment is to be included after the first paragraph in the considerandum, and reads :

“ That regional agreements in Europe and other parts of the world facilitate an increase of international exchange, and that in this collaboration the defence of co-operative interests should be assured, and that this collaboration should not hinder the conclusion of wider international agreements, covering the whole of Europe and the world; ”

We have distributed the text of this amendment in all four languages to the heads of delegations, but I am told that the head of the British Delegation has not had it, and I will ask Mr. Corina to come to the platform. I should like to point out that if difficulties are going to be raised on purely formal matters we may well be here for another 10 days. I did not say that every member of every delegation had received a copy of the text, but that it had been given to the heads of delegations. Our Russian Soviet colleagues have allowed the other Russian-speaking delegations to see the text.

Mr. J. Corina, Great Britain : I thought that I had made our position perfectly clear before the adjournment. I said that I desired to speak on behalf of the

British Delegation to ask that we be given time to consider the position which had arisen. We have considered the matter, and I am instructed by my delegation to register a protest against the procedure adopted in accepting an amendment to a resolution, an amendment which was not submitted in accordance with the Rules of the Alliance. The Rules of the Alliance lay down clearly that any amendment shall be received not later than two months from the date of the Congress. We believe that action of the kind which has been taken here may lead to very dangerous procedures in the future.

So far as the particular amendment before us is concerned, it appears to be quite innocuous and to be acceptable to us, but we think that we must make our position clear. We cannot be a party to accepting an amendment which is the result of representations by an individual made at the Congress. We demand that the resolutions and amendments to be brought before the Congress shall be printed on the agenda documents which come before our societies which are members of the Alliance, in order that they may be consulted and so that we shall receive a mandate before we leave for the Congress.

We have carefully considered the submission of the President, but we find ourselves unable to discover any sanction for the procedure which has been adopted. It is only as a protest against this procedure that we urge the Congress, as a gesture, to reject the amendment. In doing so, delegates may rest assured that the point of the amendment is adequately covered in the resolution arising from Dr. Johansson's paper with reference to the removal of barriers and other obstructions to international trade. We need not worry, therefore, about the position of the Alliance in relation to the Common Market.

I am sorry to have to intervene in this way and perhaps delay further the proceedings of the Congress, but my delegation are adamant and wish to have it placed on record that from a constitutional point of view they object to the procedure which has been adopted. Our delegations change; there is different representation at different congresses. The opinion of our delegation is quite firm that the procedure here is irregular, and we take this opportunity of registering that opinion by opposing this amendment. Should the amendment be adopted, then, although we maintain that it has been irregularly presented to Congress, we do not believe in cutting off our nose to spite our face and we shall vote for the composite resolution. I hope that I have made the position of the British Delegation clear; we are registering a protest by opposing this amendment.

The President: I can assure our British friends in all goodwill that they are labouring under a misunderstanding in this matter.

Dr. M. Bonow, Sweden: I think that this is an important question of procedure. I am not going to deal with the content of the amendment, and we have heard that our friends from Great Britain have nothing whatever against the content of the amendment. With your permission, Mr. President, I shall try to take Congress back to some earlier examples which show the procedure which the Congress has followed.

The first Congress which I attended was in 1937, but the example I wish to mention is taken from the Zurich Congress which was held immediately after the war. Since then, I have ascertained from Miss Polley, the Standing Orders of the Congress have not altered in the matter about which we are now talking. I wish to tell you what happened in connection with Mr. Oerne's paper on world trade. At that Congress the spokesman of the British Delegation, without any previous notice two months beforehand so far as I am able to remember, put forward some very far-reaching amendments which altered the whole content of the resolution appended to Mr. Oerne's paper. There were some dissenting British voices against the resolution, but that is beside the point. Lord Rusholme was in the chair, and he is an Englishman. No British delegate suggested that the procedure adopted was against the Standing Orders, and Lord Rusholme was quite right, as far as I can see, in accepting these amendments. They were put to the vote and very heavily defeated, but that is another matter.

Since then I have attended the other Congresses which have been held, and at each Congress we have had not only in regard to resolutions on Peace but also in many other cases proposals made during the debate. These proposals have been referred to the Congress Committee to try to form a composite resolution.

Would it really be possible for this Congress to work effectively if we all came here with binding instructions from our Societies at home on each little point? We must let reason reign and not take up such an impossible attitude as our friends from Great Britain seem to be taking up to-day. I wish to submit a question to my friends from Great Britain. Several of them may remember the incident which took place in connection with Mr. Oerne's paper, and I put this question to them bluntly: do you think that the Congress procedure during all these years has been entirely wrong? Are not you now putting forward a quite new interpretation of the Standing Orders? (Applause.)

The President: This is a point of order, and I again tell our British friends that they are making a mistake. I would call their attention to the Standing Order which provides that any amendment must be submitted to the Congress Committee. That refers to amendments to emergency motions.

A Delegate: This is not an emergency.

The President: I must refer you to the Standing Orders of the Congress. The Standing Orders provide that amendments can be submitted during the Congress, and it is laid down that when there is not agreement on them the Congress Committee is the deciding body. In this case the Congress Committee met and did its work, and I shall now put to the vote the text of the amendment which the Congress Committee agrees should be submitted to the Congress. I put the amendment to the vote and ask those in favour of it to raise their hands. . . . Will those against raise their hands? . . . Only the British Delegation appear to be voting against. Are there any abstentions? . . . About one quarter of the Congress has voted against and there are a few abstentions. In view of this situation we shall vote by the use of the voting cards, and I will ask the Tellers to collect the votes.

A card vote was then taken.

The result of the vote on the amendment was as follows :—

In favour of the amendment	484
Against the amendment	553

The President: The amendment has been rejected by a majority of 69 votes. We now have to vote on the resolution. A request has been received for a card vote.

Dr. A. Vukovich, Austria: There are several points in the resolution to which no one will object, but there are others which give rise to certain doubts and fears on the part of at least some of the delegates present. I do not think, therefore, that we should vote on the resolution as a whole. I suggest that we should vote first on the preamble and then on points 1 and 2 (a), while 2 (b), 3 and 4 should be voted on separately. If this procedure is adopted, delegates will be able to vote in a more discriminating manner than if they have to vote for or against the resolution as a whole. If we cannot accept one of the points in the resolution, then, if the resolution is put as a whole, we shall have either to adopt the whole resolution, including that point, or to reject the whole resolution, despite the fact that some of the points in it are acceptable to us. To solve this problem, I suggest that we should vote separately on the preamble and points 1 and 2 (a) and then take another vote on points 2 (b), 3 and 4, with a card vote on each.

The President: The proposal which has been made is to vote on this resolution paragraph by paragraph so far as the four numbered paragraphs are concerned. If we take a card vote on each of these paragraphs it will take a very long time. Personally, I feel that if certain paragraphs are rejected but not others, it will result in rather a clumsy resolution. That is my point of view, but you do not have to agree with me.

Dr. Vukovich: It may avoid the total rejection of the resolution.

The President: We will take a vote by show of hands on the proposal to vote on the resolution paragraph by paragraph.

A vote was taken by show of hands.

The President: That is lost, and we shall therefore vote on the resolution as a whole, by card vote.

A card vote was then taken on the resolution and the result, announced later was as follows :

In favour of the resolution.....	719
Against the resolution.....	370
Abstentions	73

The President: I declare the resolution adopted. (Applause.)

Memorandum and Resolution on Management in our Times

Submitted by The Co-operative League of the U.S.A.

The Important Rôle of Management in Our Day.

Business management, the management of economic business institutions, faces to-day one of the greatest challenges of its existence. On it, more than on any other segment of our society, rests the opportunity to provide the answer that the people of the world are searching for in their quest for economic freedom and equality. Even the potency and effectiveness of our governments in coping with their homeland problems - and in offering international leadership - will to an important degree be a reflection of how well business management discharges its stewardship responsibilities.

Stewardship is born of obligation. It is society that has given business - any legitimate business - the approval to exist and to operate. This licence or approval obligates business to return to the community those values that are expected of it. So the stewardship responsibility of any business organisation requires more than a return to its owners for capital invested; or to its employees for service rendered; or to its patrons for their patronage. It owes a return or contribution to all the peoples of the locality, state and nation which has given it approval or licence even to exist in the first place.

This concept of public stewardship has been an emerging viewpoint that has helped to catapult business management out of the stages of economic savagery and cannibalism into the spheres of professional standing. Historically, the use of the term "professional" has implied that an activity is undergirded by a high code of ethics; a deep concern for public welfare and by high standards of specialised skill and knowledge. It is into this strata that business management now finds itself being elevated, whether or not we as individuals in management choose to accept this great responsibility.

Only so long as we make the contributions that are expected of us by society, will we be, or can we be, allowed freedom to determine our own objectives and course of action. The long-term welfare of economic organisations is inseparable from the welfare of all the people. Modern management can no longer exist only for itself at the cost of the public.

Free people everywhere are more determined than ever to exercise the rights and privileges that are coupled with acceptance of the dignity of their individuality. This is inevitable, and should be so! Everywhere men and women are becoming conscious of the fact that they are themselves the custodians of the key to their own destiny. Those who happen to be in management positions must be genuinely aware of this viewpoint if business management, and even our entire economic system, is to continue to have public sanction for its continuation. The challenge to management is not to stop this great force, but rather to provide people with the leadership and opportunities by which they can use it and share in its benefits. The president of one of the industrial giants of the world recently said, "What the world thinks about us is usually a reflection, in some degree, of what we think

about ourselves.” (Greenewalt.) His words carry prophetic significance, for unless management seriously believes in its social, cultural and spiritual responsibilities, the world may not long accord it the position and freedom which it now enjoys.

The reason that management faces one of the greatest tests of its history is fairly simple. It is because management in the future will not go unchallenged when it loses sight of its public trust. A decision by management can and often does affect a large proportion of our population. Such decisions may seem at times to escape public attention. Even in countries where political democracy exists, it is possible that the decisions of relatively few in management can determine the economic welfare of the many outside of management. Such influence may go unchecked so long as the decisions are made by those who recognise that the good of the organisation and the good of society are one. Otherwise, the citizen may seek to eliminate the cause of his economic servitude and become receptive to almost any other method that would seem to give promise of economic equality and stature.

What is Management ?

This viewpoint on the importance of business management in national and even world affairs raises the question as to what Management really is, and how it differs from some common notions held about it in the past.

First, we can say that management is not a class or stratification of our society which is rigidly holding some in and others out. It can no longer be spoken of, in the United States at least where I am familiar with developments, as a sacrosanct group of people who hold position by reason of birth or wealth. A phenomenon has been taking place over the last generation whereby we face in our country to-day a shortage of management people who can direct the affairs of business. Finances are available; the markets are there; technology is ahead of us; but the men who have the skills, attitudes and knowledge to manage are wanting.

In other words, we are seeing that the ownership of business and the management of the operations of a business have become separate phases. With the advent of modern corporate-type business, there is a shifting from ownership-management to what is now being viewed as “professional management.” That is, corporate business is now hiring key men who have, first and foremost, the skills and capacity to operate and manage a business. The owners supply the capital for what they hope will be a reasonable return; but they are doing less and less of the actual managing. In hiring men to do the job, they are not primarily concerned with whether or not they have money to invest, but rather whether or not they have the attributes needed to successfully guide the organisation to its objectives. It is this combination of skills, knowledge and attitudes that are necessary to conduct the affairs of a modern organisation successfully, that has given rise to the “professional manager.”

If professional management is not predicated on the ownership qualification, what is it based on? Modern management is becoming a specialised area of

activity. It is based on sound principles that scientific analysis is constantly opening to our view. It is a field of human behaviour that can be taught and learned if proper effort is applied. And above all, it is an activity that is recognising its obligation of trust and service to the public, a trust to be carried out within an ethical framework that must stand the test of close scrutiny by all.

In a sentence, management is the art of taking a group of people and creating about and among them such a climate and such circumstances that they will do the best work together of which they are capable, not because they are afraid not to, but because they want to.

Instead of being limited only to those in a particular social stratum, management positions are opened to almost anyone who will pay the price. The price is no less than for entering other professional fields, and possibly more. It requires devoted and untiring effort to the cause of progress and development. It means the equivalent of years of personal experience and experimentation that lead to skill in the use of established management techniques. Unselfish dedication to a cause larger than one's self and a receptive attitude to the social and cultural implications and responsibilities must underlie all ambition and aspiration. Young men, and women, able and willing to pay this price, will find doors of opportunity open to them in some level or another of this great profession called management.

It is worthy of note here that we have used the term "business management" a number of times. Our reason is that "management" by itself is a term that can be applied to the managing of any kind of enterprise, whether it be business, labour union or charitable organisation, etc. The basic skills and functions of management are essentially the same, no matter what the nature of the organisation. The larger the organisation to be managed, the less are the traditional specialised skills needed, but the more are the specialised skills of management necessary.

What is the Significance of this to Co-operatives ?

So far, we have talked about trends in modern business management as we see them in the entire business community. We have not talked about co-operative management as such. If, however, these observations are correct, we can read into them some pertinent challenges to Co-operatives that we have never had to face before. For example, there was a time when top management leaders said that whatever was good for their organisations was good for the community. This was an effort to rationalise certain decisions that obviously were good for the company but which had questionable effect on the community or segments of it. It was easy for Co-operatives to point out by contrast that they were at a higher plane of socio-economic understanding because, being organisations born of the community, they could justify no decisions that were harmful to even any segment thereof. But to-day, the modern management leaders of our business competitors express viewpoints that come from the awakening social consciousness spoken of earlier. They are now beginning to say, in direct contrast to their predecessors' statements, that what is good for the community is good for our organisation. And there is increasing evidence that the actions of some managements bespeak their sincere belief that this is true. So Co-operatives may not find it as simple hereafter to

contrast their community awareness with that of other business organisations. The query is whether or not we can make our actions speak so loudly that words will not be necessary to tell our story of ownership, by the people and service to the community. We must perform within the matrix of our several societies in such a way as to strengthen forever the dignity of the individual and his inherent right to freedom of economic ownership and control.

But there is another significant aspect to this present trend. Corporate business, we have seen, is rapidly shifting to hired or professional management and away from ownership-management. Has it occurred to us that in Co-operatives the business management has always rested in the hands of the hired manager, who himself had no controlling financial interest whatsoever in the business? Control, for these 100 years, has rested with the people through their Boards of Directors. They hired a manager who was not required to make a financial investment in the enterprise, but who presumably had the skill to manage it. So we might say that the rôle of the "professional manager" in Co-operatives is as old as the Co-operatives themselves.

Instead of being followers of the trend that corporations are now going through, we have antedated it by several generations. But does our proficiency and skill in the science and art of management compare as favourably? Have we shown that we are almost 100 years ahead by the manner in which we manage our Co-operatives? An even more penetrating probe is - are we even current in using the techniques of modern management that are so rapidly becoming habit for our friends and competitors in corporate business? If not, and I fear we compare unfavourably in many respects, we face the crossroads of either using the tools and techniques of the youthful science of management or else competing through our techniques of trial and error, rule of thumb, school of hard knocks, etc. This spells out our responsibility of the moment - that those of us who now happen to be in positions of management and administration have got to be spending great effort in acquiring those thinking habits and skills in those functions of management that will bring about immediate favourable results for Co-operatives, and preparation for future success as well.

What Can We do about Improving Management ?

This leads us to question quite naturally what we are doing about our responsibility for passing on the sceptre to managerial personnel of the future. These men are young men now. If present conditions continue to exist, these young men are not likely to have the same opportunity for trial and error learning that we had - the margin of error has grown too small. What's more, so many of our young men to-day are finding their entrance into the business world by virtue of highly specialised technical training. They have had little opportunity even to see the broadness of management's operational decisions - to say nothing of the social, cultural and spiritual sensitivity that is now necessary. What can we do to help them to take our places ?

Fortunately, the trends that we have been discussing here to-day have been part of a scientific climate. By that I mean that scientists and researchers have

been plying their techniques and skills at even studying this thing called management. Most of this work has been in the fields of human relations and human behaviour primarily, which have been the most recent general areas of experimental exploration among all the sciences. So there is yet much to be learned than is so far known. The important observation is that some basic framework has been coming out of these studies that indicates there is an accumulating body of knowledge that can be identified as the beginnings of a science of management.

This carries vast implications for the possibilities of developing ourselves and management timbre of the future. No longer are we limited to men who have intuitively or by trial and error discovered for themselves some of the fundamental principles of management, and who have no skill in passing on this experience to others.

We have said that management is being established in our societies as a profession. We have also implied that a profession is backed up by a considerable body of knowledge that specifically applies to that activity. This is precisely what is happening in management. Students of this field are furnishing us, who are the practitioners, with information as to what some of the "secrets" are of successful management performance. The content of this body of information is made up of factors and functions of management; of principles and rules for sound management practices; of suggestions as to the vital viewpoints, attitudes and characteristics; of research findings from the social sciences on how people work best together; and so forth.

This is a far cry from having to speak of management as intuitive or done by "feel." It means that we have available to us some concrete material that we can say is basic to professional management. We have, through it, a better opportunity than ever before in history to help our young men to develop themselves in management. Properly used, this accumulated information can help them overcome to a degree the lack of experience at trial and error learning that most of us have had to use. It can expose them to principles of planning or direction, for example, which others may have taken most of a lifetime to develop. Like the content of any other body of science, we can, in this field of management, give to the eager and able man a scope and depth of knowledge and understanding that could not possibly be developed by one man in his entire lifetime. Having this information gives the future managerial talent opportunities to develop correct habits of thought and action long before the critical need for these skills arises.

In essence, this is one of our big responsibilities in co-operative management to-day - to prepare for management of to-morrow. There is no certain formula by which this can be done. I cannot propose what kind of developmental programme each must follow. It appears, however, that it is a job that each level of management must engage, in itself, with those below it. This strongly suggests that development of management people will have to be done partly on an individual basis - once the available general knowledge of management is absorbed. It is

incumbent on us to encourage capable men to interest themselves in improvement, to furnish such material for them that we can, to give personal help where needed and to give them some measure of their progress, and reward them for performance.

This for the present is what we can do in co-operative management. Although it may have been by almost a century that Co-operatives ante-dated the general use of professional management, we know that modern management knowledge and techniques are the property of all. Corporate management is already making application of them on every hand. The turn in the crossroad for us is clearly marked. It is to take seriously the need for developing co-operative management for the present and for the future, and for us to devote appropriate energies to achieving this objective.

In summary, we see managerial people, not as a select level of society, but as a professional group whose particular qualifications have caused them to be employed for management responsibilities. The nature of their decisions is such that it affects large segments of society. Our future economic climate will be determined by how well management discharges the responsibility of its public trust and on how satisfactorily we prepare future generations of management to do so. There is a rapidly expanding body of management knowledge that we can turn to for getting this job done. Finally, in the co-operative framework of business organisation, we are finding unlimited opportunity and challenge for modernising our management techniques but still genuinely maintaining the ownership and control within the hands of the member-patrons, who have created for us the opportunity to serve them.

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As a summary of what is stated above, The Co-operative League of the U.S.A. submits the following

Resolution.

Whereas it is the duty of Co-operatives throughout the world to conduct their business in the most efficient manner in order that they may make maximum savings for their members, contribute to increasing purchasing power for the people and to higher living standards, and become outstanding examples of well-run institutions in their communities ;

And whereas, there has been developed and is still developing a body of experience, knowledge and factual data about the art and science of effective management ;

And whereas, the art and science of effective modern management can be taught and learned ;

Therefore be it resolved that it is the policy of the International Co-operative Alliance to sponsor from time to time, on a financially self-sustaining basis, Institutes and Conferences on the subject of management in which Managers and Directors of co-operative enterprises in various parts of the world be urged to participate ;

And be it further resolved that this Congress urges upon all member Organisations of the I.C.A. to themselves conduct Institutes of Management for the benefit and attendance of Co-operative Managers and Directors within their own countries.

Mr. A. J. Smaby, U.S.A., in presenting the memorandum and moving the resolution, said : In order to save the time of Congress, I shall attempt to be very brief in my comments on this subject of management. That is not because I do not think that it is important; I think that the subject of management is one of the most important problems with which we in the co-operative organisations of the world have to deal to-day. It seems to me that the progress which we make in the future will depend to a great extent upon the effectiveness of management. We have the market; we have the finances, or the finances will be available if we have the "know-how" to do an effective job of managing our co-operative businesses. The method of trial and error is no longer acceptable; we take too many chances if we rely on it and it alone. Many of us who have been in management for a quarter of a century probably learnt our management by trial and error, but with the world moving as fast as it does to-day we cannot afford to make the mistakes which we made at the beginning of our management careers.

During the past 20 years there has emerged what has come to be known as modern management or professional management. I do not want delegates to confuse what I am about to say with regard to modern or professional management with what we have normally thought of as technical "know-how," which is another matter altogether. What I am talking about, and what I have tried to present in the memorandum, is a concept of management. I have dealt with the functions of management, and by "functions" I mean learning how to plan, how to organise, how to direct, how to co-ordinate and how to control. These, in top management, are functions which we must perform, and to learn how to do this is very important.

There is another important aspect in the field of management if we are to be successful in it, and that is an attitude of mind - the attitude of managers towards their employees, towards their stockholders or owners of the business, towards their customers and towards society as a whole. The modern manager can no longer follow what was prevalent in our country some years ago, the policy of "The public be damned." He can no longer follow the policy that what is good for the company is good for the country. That has been reversed, and so the successful manager to-day must have a proper attitude as well as the skills to give effect to that attitude.

It seems to me that it is incumbent on you and on me, on every director and manager in this hall, to do all that we can to improve ourselves in this field of management, and also to train those with whom we work; because the greatest responsibility of a manager, in my opinion, is to bring people along who can carry on the organisation in the future. If we fail there, we fail completely.

Competition demands that we do this. We in co-operatives have been professional Managers since the first Rochdale Co-operative was organised, because we have all been hired men, not owners, not complete or total owners of the business; but I fear that we have not progressed as we should have progressed. It is not yet too late, however. Private profit business is spending huge sums of money on training in management, and we in co-operatives must do likewise. What are we doing? We in the U.S.A., through our Co-operative League, organised about seven years ago a special organisation for the development of modern management. We called it the Modern Management Development Association. Each year we hold an institute for top level management throughout the United

States, for members of the League and others, and then we carry what we have learnt back to our respective regional or wholesale organisations and train our own people within our organisation, who again take what they have learnt to the local societies and train those concerned with management in every local society.

What I have said might sound theoretical, but let me assure you that it is not. In the 25 years of my experience with co-operatives, I have never come across anything more practical. I can assure you that it pays, and it pays big dividends. In our own organisations we have been able to reduce the cost of operations by a tremendous amount since we have trained our people to do a better job of management. I can tell you that one organisation, which spent huge sums of money to train its personnel to do the job of management better, saved in the very first year eight times the cost of training their employees over a three-year period. It is practical, and because it is so practical, and because it pays, and because if we are to continue to make progress in our co-operatives the development of management is one of the most important things that we can do. I wish to move the adoption of the resolution on this subject.

In so doing I should like to clarify it a little, because several people have approached me, since I have been here at the Congress, and asked about certain statements contained in the resolution. One of them is the phrase "on a financially self-sustaining basis." It may be felt, perhaps, in some countries that they are not financially able to attend conferences or to convene them, and it may also be felt that some countries are not yet ready to adopt a programme such as they might think is necessary. In the resolution, I am not concerned about details such as that. If the wording is not absolutely as you would like it, I hope that you will try to approve the spirit of the resolution and let the Executive and the secretariat of the Alliance work out the details. I move the adoption of the resolution.

Mr. F. F. Rondeau, U.S.A.: I rise to make a couple of observations in connection with the subject which my colleague Mr. Smaby has just laid before you in his well-prepared memorandum and in the comments which he has made this afternoon. I do not want to amend the resolution, because I find that that takes time, but rather to offer some observations on why we consider, from the standpoint of our experience in the United States, this question of management to be so important.

It is important, in my view, for two reasons. The first is because of the dual responsibility which our co-operatives carry and must fulfil if they are to accomplish their intended purpose. One is to be as efficient in their business operations as any other type of business with which they compete, and the other is to be sure that they always retain the spirit and the purpose of Co-operation and the co-operative character of the organisation.

If our co-operatives are going to attain this objective, it is important for them to have the type of people who can do it, because it is through our management personnel that the job will be done, and their skill will determine how far it will be accomplished.

I had intended, in commenting on this subject, to say something about the very practical experience which I have had in our organisation, the Mutual Service Insurance Company of St. Paul, Minnesota, in following in our organisation some

of these basic modern management concepts which Mr. Smaby refers to in his memorandum. I shall not take up time now on this, but I do want to underline what Mr. Smaby has said. The subject of management in our co-operatives to-day, at least from our vantage point in the United States, is one of the most important matters with which we can concern ourselves. I therefore urge Congress to adopt the resolution.

Mr. Norman Wood, Great Britain : Mr. Smaby's memorandum deals with one of the most constructive and important subjects to come before this Congress. It is, I think, important that it is sponsored by the United States, because those of us from European countries who have an opportunity to meet frequently under the auspices of the I.C.A. are perhaps a little unmindful, when discussing our trade figures and achievements, that our American friends, and especially the farmers, really do use co-operative organisations in a big way. Purchasing and marketing farmers' co-operatives which have an annual business of 10,000,000,000 dollars, or about £3,600,000,000, can claim to represent Co-operation as large-scale enterprise. It is a matter of regret that some of these organisations in the U.S.A. have not yet linked up with the I.C.A. It would appear, however, that top grade management and leadership are essential to American co-operatives whose trading has reached such dimensions.

No matter where a co-operative society may be, whether in the United States or the Soviet Union, in Sweden or in Pakistan, in Germany or in England, and whether it be large or small, modern and contemporary in its structure and organisation or observing traditional practices in old-fashioned premises - no matter what its circumstances may be, ultimately it depends for success upon good management.

Important though good administrative machinery may be, in the last resort, it depends on the ability of men to carry out a policy and the manner in which they do so. No co-operative society, industrial or agricultural, can exist for long without human leadership of some kind. To reach the stage of first-class professional management men have to be bred and trained, just as men have to be bred and trained in order to exercise a craft or a trade effectively. We must all appreciate that the success of a co-operative society, no matter of what type, depends - not entirely, but largely - upon the calibre of the men who hold the top managerial jobs. If the chief executive is first-class, then automatically he surrounds himself with men of similar quality. One can make comparisons between societies of similar type and size, operating more or less in the same geographical and social area, and, knowing the managers in charge, it is not difficult to understand why some societies are outstandingly successful and others make little or no progress.

It sometimes happens that men without qualifications and of unproved ability are given responsible managerial jobs. We as the leaders of our national and local co-operative societies are under an obligation to the ordinary co-operative member to establish a competent brand of administration and certain recognised minimum standards of management. In some of the national movements - Great Britain is not one of these - machinery has been established which makes it reasonably certain that a man appointed to an executive post is top grade, and, if he should fail, the same mechanism will ensure that he is suitably replaced. When dealing

with this question of executive management, one assumes that there is the disposition to pay the price for the job. Unfortunately, many good men leave co-operative employment because of inadequate remuneration.

The recommendation in the resolution that there should be established a co-operative institute of management deserves the full attention of the Executive of the I.C.A. I welcome the resolution as a practical approach to a very important question.

Mr. R. Cenerina, Lega Nazionale, Italy : In all countries where it has been possible to organise the Co-operative Movement sufficiently, one of its fundamental tasks is considered to be the education of its members. We feel, therefore, that if it were merely a question of looking after the accounts or of technical management, there would be no grounds for criticism here. It is obvious that no clear distinction is made between financial administration on the one hand and ordinary administration on the other. That is a difference, in fact, like that between the members of an orchestra and the conductor, and the composer of the music. We feel that co-operatives must be able to stand up to competition and must ensure the training in administration of their members. We also feel that progress has been made.

We agree that co-operative societies must adopt the most advanced techniques; nevertheless we cannot say that the responsibility for the management of an enterprise should be left to professional administrators. We feel that the proposal which has been submitted may undermine the very foundation of our Movement, which is the active participation of the members of the societies in the work of management. We feel that collective management must be the basis for developing the solidarity which is the foundation of Co-operation. If that is the social function of Co-operation, how can we entrust to professional administrators work which should be done by the Co-operators themselves in a spirit of co-operation? I feel that this is a point which should be taken into account.

This is, nevertheless, a problem which must be tackled very seriously, and it is a good thing that the question has been raised here, although we for our part cannot agree with the solutions which are proposed. We have to reconcile elements which it is not always easy to reconcile: technical qualifications in management affairs, and the associated collaboration of a very large number of Co-operators. We feel that the development of the Movement requires ever greater qualifications, but we also know that, in order to let the masses make their contribution, we must alter the relations to make sure that such a contribution can be made. We are therefore in favour of a new synthesis which will enable the co-operatives to work in very close conjunction with the large masses of the people for whom they work and whom they represent.

We must recognise that this is a problem which is not easily solved; nevertheless valuable experience has been gathered in this respect. International collaboration is valuable, but it must be efficient and must develop along democratic lines. The I.C.A., therefore, should place its resources for international collaboration at the disposal of the Movements in all countries. As we cannot agree with the solution proposed, we cannot support the resolution.

Mr. A. Antoni, France : If I had merely read the excellent resolution which has been submitted to us I could have voted in favour of it. In fact, however, the

resolution is such a good one that it led me to read the text of the whole memorandum, and, as the French text was not always very good, I had to have recourse to the English version. I then discovered that if it is true that a constructive conclusion has been submitted to us, the arguments which are presented in support of it are very dangerous from the point of view of the ideals of Co-operation. The Congress should be very careful, therefore, about exactly what it is voting on.

The basis of Mr. Smaby's argument is the fact that to-day we have a real science of the management of enterprises, and that science is a profession in itself, in its own right, distinct and different from other occupations such as that of grocery or coal merchant. That is true, and it is quite right to insist that we should train people who will be particularly qualified for this type of profession. The danger lies in trying to support that conclusion, which is right in itself by other considerations which are dangerous and which are in no way connected with the technical conclusions proposed to us by Mr. Smaby.

Mr. Smaby is in effect putting forward the well-known theory of the managerial revolution, the theory of Burnham. He even takes it further, because he says that these administrators, who no longer hold the capital, will always turn towards the service of the people. This raises a problem which has to be solved, because in fact if these generous people are turning to the service of the people, one wonders what there is left for the Co-operators to do, even in the U.S.A. ! I think that we have here a Utopian illusion about which we must be very careful if we do not want to get into serious ideological trouble and which may result finally in economic confusion. To say that there are administrators whose professional qualifications are such that they are independent of capital, and that they are so inclined to serve the public that they no longer serve capitalist ideals, raises the question of who appoints the administrators. It is the capitalists who appoint them. We must be serious about these matters and realise that these administrators, however capable they are, will be squeezed out by the capitalists as soon as they no longer serve the interests of capitalism.

Mr. Smaby says that capital leaves the road free to administrators and is satisfied with reasonable profits. That again does not seem to me to be a very serious statement, because what are we to call "reasonable profits" from the capitalist point of view ? Are they to be a profit of 5-6 per cent such as the Rochdale principles tolerated in the Co-operative Movement ? In that case, let these large private enterprises join the Co-operative Movement ! But, if it is a question of greater profits, let us realise what the situation is. It is not a small profit which is in question here.

I have spoken at some length on this because I feel it is an important matter, and you will agree that we of the French Delegation have not said very much at this Congress. There is another important point which I should like to mention. We have heard Mr. Campbell and Mr. Lincoln denounce certain practices of large enterprises run by administrators in their country, but now they are being set up for us as examples. We must be serious and realise that capitalism has not eliminated cannibalism, as Mr. Smaby says; it has merely disinfected the boiler or the pot in which the victim is boiled. Now, having disinfected the pot, you tell the victim that everything is all right, but we as Co-operators cannot accept such a point of view.

We must accept the facts. We must have the best administrators and must train them. One of the main activities in the Co-operative Movement must be to train people who can run modern enterprises, but who can run them in accordance with their ideals. This is not to imitate capitalism, which is said to have become a little lamb, whereas before it was a wolf. Wolves will cease to eat lambs only when they become vegetarians, and that will not happen to-morrow even in America! We must envisage a struggle. We must train men according to the most modern methods, but according to methods based on the ideals and principles of the Co-operative Movement.

Mr. L. Hietanen, Finland: We are all conscious of the decisive role which management is playing in the Co-operative Society. The question of whether our managers have been able and are able to keep pace with the rapid development of the Movement and with the tremendous evolution in the modern community as a whole is one of current interest. I am apprehensive that, unfortunately, there are to this question too many non-affirmative answers. The number of tasks of the manager have increased steadily. There is a difficulty in putting things in the right order of importance. One example is the manager who himself types his letters. He is too expensive for his society; he is not only an expensive typist but he is wasting time which ought to be devoted to the management of his society.

Because of the increase in duties and responsibilities, the problem of the delegation of duties becomes a burning question in modern management. It is my opinion that on this special question we need guidance urgently. It is a question of delegation of duties and responsibility by the manager to his collaborators and subordinates.

Sometimes the opinion is expressed that it is not worth while to educate and train officials for the Movement, because the people thus educated too often leave the Movement and go over to the service of its competitors, so that the Movement pays, but the outside world gains. We must, however, keep in mind that losses of this kind are often caused in the field of education. The best method would be to begin education at as early a stage as possible. People who have begun their co-operative career young will remain Co-operators all their lives.

I fully agree with Mr. Smaby's idea of institutes of management, especially so far as the education of top managers is concerned. It may be expensive, however, in a small country to establish institutes especially for that purpose. I think that we should do well to collaborate in this respect with other institutions. There are in many countries commercial universities, institutes of technology and so on which arrange education and seminars for top managers in collaboration with economic institutions and organisations. I think that we should collaborate with them. In this way the costs of this kind of education would be comparatively low, and we should maintain contact with the outer world in respect of top management education, and thus avoid isolation. We should assume that the people to whom we are giving education in top management in this way have in their earlier years received their co-operative education in the service of the Movement. I give my support to the resolution proposed by the Co-operative League of the United States.

Mrs. E. A. Galakhova, U.S.S.R.: I should like to make some remarks on the memorandum submitted by the United States Movement. The author of the

memorandum says that management should be based on the improvement of co-operative administration, and he emphasises the importance of the training of co-operative administrators. He seems to base himself on capitalist enterprises, as was pointed out by Mr. Antoni. The system of management of these enterprises gives a wrong orientation to co-operatives with regard to management, and it is not right to put this administration into the hands of professional administrators, as is done in capitalist enterprises. To do so is bound to undermine the principles of collective management based on the democratic foundations of the Co-operative Movement. We cannot agree that the responsibility for the management of co-operative enterprises must be put entirely into the hands of the professional administrators.

It is stated in the memorandum that the system of management of every economic organisation is sanctioned by the people of the country; but in capitalist conditions, where most of the enterprises are in the hands of the monopolists, the organisation and management of such enterprises have never received the sanction of the peoples of the countries concerned and they have never served the interests of the people. The introduction of the system which is suggested here, therefore, undermines the principles of Co-operation and the system of management adopted in capitalist enterprises, therefore, cannot have our approval as corresponding to the spirit of Co-operation.

The American Co-operators said, rightly or wrongly, that they are in favour of democracy, but they have submitted an anti-democratic memorandum.

In the resolution it is suggested that the I.C.A. should sponsor from time to time institutes and conferences on the subject of management and administration for co-operative members in various parts of the world, and the various Co-operative Movements, it is suggested, should organise courses in their own countries. We agree, of course, that certain management procedures for co-operative enterprises should be developed and improved, but this must be done on fundamental democratic principles and is not an international problem. An international organisation should not be cluttered up with questions which can be dealt with far more satisfactorily by the individual co-operative organisations in the respective countries. A system of general norms for the Co-operators of all countries is one which we can hardly approve. The I.C.A. should certainly make suggestions of a general nature, but we need an exchange of experience. Moreover, we can say that all Co-operators, including those of the United States, know that the I.C.A. takes measures for education and spreading of information about various technical management questions through the International Co-operative School and in other ways. Representatives of national co-operative organisations can, if they wish, improve their qualifications and need not for that purpose refer to special resolutions adopted by the Congress. We feel, therefore, that the present resolution is of no great value and can give nothing new to co-operative organisations.

Mr. P. R. Elderfield, Great Britain: I am sorry that this Congress has been so managed that there has been very little time for discussing this memorandum, which has come up so late in our agenda, because it could have been the most important, and probably the most effective, paper before the Congress. Delegates may be anxious to get on to the next business, but I should like to be so bold as

to make a few comments on this subject, because the co-operative building and housing organisation which I represent has benefited very considerably from the management techniques pioneered by the American Galbraith.

Much of what I had intended to say has been said much more ably by the previous speaker, and more entertainingly by Mr. Antoni. The conclusions of this memorandum are excellent, and the resolution could not be better. There is no doubt that as regards techniques generally and the technique of management in particular the Americans lead the world and have no equals – or so I should have said until this Congress, where I have begun to think that they are being overtaken by our Swedish colleagues. Co-operation must be coupled with American business efficiency. We have talked about enthusiasm, principles and ideals, but these are useless without efficiency. Our co-operative business undertakings must be efficient. We must be more efficient than our competitors and provide at a lower price a better quality than our competitors.

I have wondered why the co-operatives in Sweden are so successful. Are the Swedish people more co-operatively minded than others? I think not. I think the fact is that the Swedish co-operatives are more efficient than ours and provide better service.

I feel, however, that the general philosophy of Mr. Smaby's memorandum is wrong. On the second page of the memorandum it is stated that "we are seeing that the ownership of business and the management of the operations of a business have become separate phases . . . there is a shifting from ownership-management." That is true enough. The monopolists who control most of the big businesses leave management in the hands of paid technicians. On the same page it is said that "The owners supply the capital for what they hope will be a reasonable return." For finance capital, a "reasonable return" can mean only one thing: maximum profit.

On the next page the memorandum says that "the modern management leaders of our business competitors express viewpoints that come from the awakening social consciousness spoken of earlier. They are now beginning to say, in direct contrast to their predecessors' statements, that what is good for the community is good for our organisation," which means that what is good for the people is good for the monopolist. The memorandum begins to read like one of the advertisements of the big monopolies such as I.C.I. or General Motors, when they take a whole page in one of the newspapers to try to make us believe that they have become philanthropic and benevolent organisations. It is subtle and effective propaganda, but Mr. Campbell of the U.S.A. can put us wise on this point. On Monday, in the discussion of the resolution on Co-operation and Health, he told us that Co-operators in the United States had had to fight certain cuts in the money available for the Food and Drug Administration, and were campaigning to have more money, to have more food and drug inspectors. Why? Because for the sake of maximum profit capitalist enterprises were prepared to adulterate food and were willing to poison people for profit and had to be forcibly restrained from doing so by these inspectors. These, however, are minor criticisms of an excellent analysis by the Co-operative League of the U.S.A. They have got to the roots of the matter. Business not in the interests of the consumers but for maximum profit. Let the technicians, instead of being in the service of finance capital, be employed by the Co-operative Movement for the benefit of the many

and not for the profit of the few. Once already this week I have made a *faux pas*. I should like now to suggest that the leaders of the Soviet Co-operators be invited to a management course in the U.S.A. According to Mr. Kruschew, the U.S.S.R. appears to be afflicted with inefficient and incompetent bureaucracy; he has told us so. For them as for ourselves a course in American Management methods should be stimulating and valuable. If by this resolution we can have the Russians and Americans working together for a co-operative commonwealth, world peace will be safe and we can face the future with confidence!

Mr. C. G. Malmström, Sweden: It is very gratifying that the question of business management in co-operative enterprises has been brought up for discussion in the Alliance. In his memorandum Mr. Smaby has thrown out a challenge. No doubt the co-operative form of enterprise has in several respects proved itself superior to private enterprise, and it is just for the reason that the function of business management has been separated from the ownership function. The Co-operative Movement owes many of its victories in a number of countries in Western Europe to the fact that private enterprise has not been very rationally organised, particularly in the retail field. This state of affairs is, however, rapidly changing. After all, the Western European countries, including those where the Co-operative Movement has hitherto had the greatest success, are seen establishing to-day new and more efficiently equipped competitors in the shape of chain and other highly integrated enterprises. It is one of to-day's open questions why several of these private enterprises, which might have drawn on the experience of the Co-operative Movement, are not to-day in a position to offer overwhelming competition. In the U.S.A. the consumers' Co-operative Movement faced from the start strong and efficiently organised competitors in most of the fields in which Western European co-operatives could report the greatest success. No wonder, then, that United States co-operatives have felt the urge to study carefully and to develop means to improve the efficiency of co-operative activities. Within the Co-operative Movement the problem of business management and management control has for a long time attracted great interest. I wish to illustrate this with a few remarks about the field in which I am specially interested, namely the insurance business.

As one of the elements in our effort in the Swedish insurance undertaking, *Folksam*, to define our problems and seek more efficient solutions for the benefit of our policy holders, we have already established contact with the United States Co-operative Insurance Movement. A representative visited *Folksam* some time ago and discussed with our top management the types of problem met with here. The directors of *Folksam* are of opinion that there is every reason to consider the point of view expressed in Mr. Smaby's memorandum, first at national level and also in international contacts. The principal solutions of management problems are possibly to a certain degree independent of the type of business in which the various co-operative enterprises are active.

As an element in the effort at the international level, *Folksam* last autumn invited the Scandinavian co-operative insurance undertakings to participate in a conference on business management problems. The undertakings represented at the conference profited by the valuable exchange of ideas and experiences during the conference and afterwards. Although such an exchange of experiences in a wider field will meet with greater difficulties, we are of opinion that here there is

a large field in which the Alliance can exercise a valuable initiative. Developments in the field of business administration and management are to-day taking place extremely rapidly. The introduction of modern electronic devices offer to a large enterprise new possibilities of establishing an efficient and economic administration and provide a method by which it is possible within an individual company to evaluate efficient productivity. The rules of thumb mentioned by Mr. Smaby have no doubt rendered a good service in the past but they should be replaced by more firmly based scientific research and tested in practice. I support the adoption of the resolution.

Mr. J. F. van Netten, Holland : There are only minor observations left after the previous speeches. I gather from Mr. Smaby's memorandum that he links the stewardship of business with the challenge of possible socialisation, but is difficult for us to see this direct link. The sense of public duty should inspire just as much the political parties, the trades unions and other professional groups. We agree that the management function is increasingly important, but when Mr. Smaby distinguishes between professional management and ownership-management we cannot see the distinction, because we feel that each job should be performed in a professional way, no matter whether it is a co-operative business, a private company or a nationalised industry.

Finally, we would underline what was said by Mr. Hietanen, from Finland. We must be careful in the Co-operative Movement not to spend too much money and not to set up special co-operative institutions where general institutions such as schools of business and universities are available. The practical training of our managers will in any case be supplemented by work in the Co-operative Movement, and we should make the fullest possible use of the general institutions available, to avoid duplication.

Mr. H. Hutchinson, U.S.A. : I wish to speak in support of the proposal that the I.C.A. should sponsor management institutes and conferences in which managers and directors of co-operative enterprises may participate. I should like to call the attention of the Congress to some very practical problems which I believe the Co-operative Movement will have to face in the days ahead. First of all, management has been and will continue to be one of the major limiting factors in the development of the growth of co-operatives. More than money, more than plant, more than products, we shall need the services of qualified management and technical help. These developments can take place, but they require planning, research, delegation, co-ordination and all the functions of management.

More than 20 years of practical experience in co-operative organisation has convinced me that one of the most shocking wastes of the human spirit and human capabilities occurs through poor organisation and disregard of the fundamental laws and principles of modern management. The American Management Association found in recent studies that from 75 to 80 per cent of the problems brought before consulting engineers are found to arise from defects in organisational structure and lack of proper planning on the part of management.

The growth of co-operative business, if it reaches the height necessary to have the impact on society which it should have, will of necessity require some forms of

decentralisation of planning, of distribution and of management, and this will require the separation of specialised functions such as research from general management. All these factors will be fundamental in the future, because good organisation is one of the first steps in a systematic programme of executive or management development.

There is another point to which I should like to call your attention. The technological revolution of the second half of the twentieth century is automation. At least this is true in the United States, and I am sure that it is true to varying degrees throughout the world. Just as assembly lines and mass production brought about a revolution in industry during the first half of the twentieth century, automation will take its place in the second half, and in an era of automation one of the greatest needs will be for qualified management and technical help. Management will have to be highly educated and trained. In my judgment, one of the major keys to the future of co-operative development is the selection and training of qualified management manpower - manpower that is sensitive to people's needs not only to-day but in the future.

I should like to raise two questions with the Congress, and in particular with those of you who are directing and managing co-operative organisations. What kind of management will your co-operatives require in the next 10 years? How many managers will you want, and have you a formal programme for training these men to meet the demands? Other forms of business are making major advances in management and technical development. They are making substantial investments for this purpose. Can we afford not to do so? Here is an opportunity, we believe, for Co-operators throughout the world to pool their experience and share with one another.

Mr. Smaby mentioned the experience of the Co-operative League of the United States. We have had specialised conferences of a technical nature applying to a particular business. Co-operative and mutual enterprises must be just as efficient as, and indeed must be more efficient than, others. We believe that a group of people joined together can work out such a programme. In addition to the development of management techniques and skills, there is also a need for the development of the education of management in the social objectives of free people working together in voluntary organisations, so that co-operatives can have both competent management and management that is sensitive to human betterment.

The President: I call on Mr. Smaby to reply.

Mr. A. J. Smaby, U.S.A.: Thank you very much for giving me an opportunity to speak once again. What we are involved in here is a question of semantics. What does a word mean? It means something else to some of you than it does to the rest of us. If you do not like the word "professional" you can call it whatever you like; I do not care, so let us not become involved in semantics.

I would say to Mr. Antoni, who spoke very well, and to Mrs. Galakhova and to the speaker from the Lega Nazionale that their point, as I understood it, was a fear of turning over management to a professional manager, as I referred to him. When I speak of management, I speak of management in its broad sense. I am a

manager, but I have a board of 12 directors to which I report, and I have a staff underneath me. This is management, as I use the term. The idea of modern management is not to draw away from people but to bring management closer to people. It looks at the human side, as compared with the type of management which we used to have years ago. I am afraid that in my paper and in my statement to at least three of you I did not convey very well exactly what I meant. I appreciate being given this opportunity to clarify the point.

The President: The Czechoslovak delegation asks for a card vote, and we cannot refuse this, because the request has been made by 10 delegates. We shall now take a card vote on the resolution annexed to Mr. Smaby's memorandum.

A card vote was then taken on the resolution, and later in the meeting the President announced the result, as follows :

In favour of the resolution	726 votes
Against the resolution	396 votes

The President therefore declared the resolution adopted.

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I.C.A. Jubilee Triennial Prize

The President: I call on Mr. Thedin to announce the decision of the International Jury on the fourth award of the Jubilee Triennial Prize.

Mr. N. Thedin, Sweden: On behalf of Mr. Klimov, of the Soviet Union, Mr. Handschin, of Switzerland, and myself, I have great pleasure in informing the Congress that the Jury have decided to recommend the granting of the fourth award of the I.C.A. Jubilee Triennial Prize to Professor Esko Aaltonen, of Abo, Finland, for his work "Consumers' Co-operation in Finland." (Applause.) As on previous occasions, the decision of the jury was unanimous. The amount of the prize is £150 sterling. Unfortunately Professor Aaltonen cannot be present, so that the prize must be sent to him by the secretariat.

The Jury had on this occasion to consider a number of works many of which are of great interest. In its final consideration the Jury had to make a choice between two books of high scientific value. Even though the Jury was unanimous, it desires to draw the attention of Congress also to a book which was not selected, namely "Social Aspects of the Co-operative Movement in Ceylon and Southern India," by the Dutch economist G. D. van Wengen. This is a case study, theoretical and practical, bearing on one of the most important problems of to-day, that of co-operative progress in the newly-developing countries. The members of the Jury are unanimous in their evaluation of the high topical interest of the subject chosen by the author and of his analysis of the facts. Even if we have different opinions concerning many of the author's conclusions, we wish to pay tribute to him for his work, because it sets our minds working on important problems. This is a book which ought to be studied and discussed in wide circles among active Co-operators interested in the problems of the newly-developing countries.

The book which the Jury has chosen for the fourth award is a book of very high scientific value written by an eminent scholar. On the occasion of the 50th anniversary of the Progressive Finnish Co-operative Movement in 1950. K.K. gave Professor Aaltonen the task of writing a history of the Finnish Co-operative Movement. The book was finished in 1953, a volume of no less than 536 pages. This volume was considered to be a scientific work of the highest standard, remarkable for its deep understanding of the Movement and its high degree of objectivity. Even the short edition which has been published in the Swedish and English languages, and which the members of the Jury have thus been able to read, is a work which commands the greatest interest. It is fascinating to all of us, because it so thoroughly and objectively analyses the social background, the economic development and the everyday problems, of one of the leading Co-operative Movements of the world, a Movement from which we all have something to learn. It shows what a movement grown out of the desire for economic freedom and security among the broad masses of the common people can achieve.

Professor Aaltonen says that the development of the distribution of consumer goods in Finland is indeed a remarkable one during the period in which the consumers' co-operative societies have been in existence. The modern shops, not to speak of the department stores, seem to be taken from another world when we compare them with the small and dirty private shops and the market stands at the beginning of the century. He describes the enormous rise in the standard of living in Finland and concludes that in its capacity as an educator which has changed the way of living and the outlook on life of the citizens, the Finnish Co-operative Movement has had an importance which in the last analysis is even greater than that of the improved distribution of goods.

I conclude by saying that the Jury is very happy to be able to grant the fourth award of the Triennial Prize to a work of remarkable value, and it hopes that it thereby also contributes to making a Co-operative Movement of a remarkably high standard even better known among the Co-operators of the world. (Applause.)

The President: We should have liked to congratulate Professor Aaltonen personally, but unfortunately he is unable to be here. We ask our Finnish friends to transmit to him the heartiest congratulations of the Congress.

Election of the Central Committee

The President: We shall now proceed to the election of the members of the Central Committee.

The General Secretary: You have all received a copy of the paper "Election of Central Committee," which contains all the nominations to the Central Committee sent in to the secretariat. I have one change to announce, and that is in the members of the Co-operative League of the U.S.A. Mr. B. Peterson is nominated in place of Mr. J.W. Koski, and Mr. Koski's nomination is withdrawn.

Congress is also asked, in accordance with custom, to empower the Central Committee to co-opt members who may be nominated by affiliated organisations in the period before the next Congress, provided that such nominations are strictly in accordance with the Rules, this authority to apply also, of course, to members elected by this Congress who may subsequently be replaced by their organisation.

The President: You have heard what Miss Polley has said about an alteration in the list. I assume that Congress has no objection and approves the nominations.

The Congress agreed.

List of those Elected:

Argentina	E. U. C. Martinez.
Austria	A. Korp, Dr. A. Vukovich, Dr. Ing. L. Strobl.
Belgium.....	J. Papart, W. Serwy, J. Lambert.
Bulgaria.....	P. Takov.
Canada	B. Melvin, R. S. Staples.
Ceylon ✓.....	D. E. Hettiarchchi.
Czechoslovakia.....	A. Droppa, J. Kovac, M. Marik, Mrs. B. Machacová-Dostálová, J. Marcek, I. Nepomucky, J. Pistek, J. Podlipny, L. Smrcka, A. Zabochnik.
Denmark	J. Th. Arnfred, A. A. Drejer, L. Fabricius, K. Nielsen.
Finland	L. Hietanen, M. Mustonen, O. Stadius, J. Jalava, J. Laakso, U. Takki.
France	M. Brot, F. Burette, M. Catelas, A. Charial, E. Couvrecelle, A. Cramois, M. Degond, G. Gaussel, G. Heitz, P. Ramadier.
Germany	Dr. E. Hasselmann, F. Klein, H. Meins, P. Pentzien, C. Schu- macher, C. A. Ellenbeck, Dr. J. Brecht.
Ghana	F. M. Addo, M.B.E.
Great Britain	J. Corina, R. Deans, J.P., G. R. Douglas, J.P., D. Dow, J.P., R. G. Gosling, C.B.E., J.P., H. Hill, F. Oakley, B.A., B. Richardson, M.A., J.P., R. Southern, C.B.E., B.A. (Com.), C.H.D., T. Weir.
Holland.....	H. A. Bastiaans, J. J. A. Charbo, J. Roos.
Iceland	E. Einarsson.
India.....	B. J. Patel.
Israel.....	J. Efter, N. Verlinsky.
Italy	O. Bardi, G. Cerreti, I. Curti, V. Grazia, G. Tolino, Dr. L. Malfettani, V. Menghi.
Japan ✓.....	Y. Hasumi.
Malaya ✓.....	Mrs. Kontik Kamariah, B.E.M.
Norway	R. Haugen, P. Soiland.
Pakistan.....	R. Ahmed.
Roumania	C. Mateesco.
Sweden	C. A. Anderson, S. Apelqvist, Dr. M. Bonow, G. Etzler, H. Hjalmarson, A. Johansson, N. Thedin.
Switzerland	Ch.-H. Barbier, H. Rudin, A. Vuilleumier, Dr. H. Küng.
U.S.A.	S. Ashelman, W. J. Campbell, H. A. Cowden, G. W. Jacobson, M. D. Lincoln, E. Peterson, Mrs. Ruth Robison, F. F. Rondeau, A. J. Smaby, J. Voorhis.
U.S.S.R.	N. P. Abramenko, C. A. Bokov, A. I. Galkin, Z. N. Ketskhoveli, A. P. Klimov, M. I. Mukke, N. P. Saya, N. P. Sidorov, D. S. Timofeev, K. Y. Yunosov.
Yugoslavia.....	P. Rbmac.

Date and Place of Next Congress

Mr. B. J. Patel, India : I rise to make a proposal which I hope that all of you will like and accept. It is this. So far, the International Co-operatives Congresses have been held in Europe. I wish to make a proposal, which I hope will be accepted, that the next Congress be held in India.

You know that we have taken a momentous decision to help Co-operation in Asia, and it would be in consonance with this decision if you accept the invitation of India to hold the next Congress in that country.

It will be necessary from our point of view to know well in advance whether you accept our invitation or not, because, as you know, our Movement is an infant Movement. We shall have to make strenuous efforts to make your stay comfortable and the arrangements satisfactory, and for that purpose we shall require a good deal of time to make the preparations. In spite of this difficulty I promise you that we shall not spare any efforts to make your stay as comfortable as we can. I have been greatly impressed by the most satisfactory arrangements which we are all enjoying in Stockholm. Please do not expect anything so beautiful in India. But, although materially we may not be able to make arrangements comparable with those in Sweden, spiritually you will not find anything lacking in India.

If you make up your minds well in advance, the delegates from the various countries will be able to make preparations to come to India, because when you come to India I expect you will not come alone but will be accompanied by your wives, and in some cases perhaps, by one or two children.

For the benefit of this Congress I would mention one fact which may justify acceptance of our invitation. Recently UNESCO held its General Conference in India, and so far as I know the arrangements were satisfactory for the delegates, so that we feel quite confident that we shall be able to satisfy you. My only desire is that you should accept our invitation, come to India and enjoy oriental hospitality. (Applause.)

The President: We take note of this generous and friendly invitation of our friends from India. It is for the Congress which will be held in three years' time, and we should refer this invitation to the new Central Committee and the Executive, which will take a decision in good time.

Concluding Proceedings

The President: The Congress cannot close without my mentioning the great help which we have had in holding here not only the Congress itself but all the other meetings which have been convened under the aegis of the I.C.A. We should like to thank the directors and staff of K.F., who have taken such care of us throughout our stay, guided us, organised accommodation for us, and entertained us so splendidly. We must also thank them for the remarkable exhibition which we have seen and which has given us an example to follow. We thank also the other two Swedish organisations, H.S.B. and the Women's Co-operative Guild (K.K.), for all they have done. I should like to thank personally our friend Carl Albert Anderson for the way he received us yesterday.

We thank the director and staff of the Konserthus, who have done so much to help us. We thank the Press for the publicity that they have given to our Congress, not forgetting the radio. We also thank the technical staff of our Congress.

In conclusion, I want to say what tremendous assistance has been given to me by the General Secretary and the Director. I should like to thank them not only for their help during the Congress but for all the help they have given me since the untimely death of Sir Harry Gill, when I had to take over the Presidency. Throughout that time I have received tremendous help from them, and I wish to thank them for this publicly.

You have all been extremely friendly and helpful to me – perhaps not right up to the end as much as you might have done, but one cannot expect perfection! People who individually are delightful and charming are not always easy to handle when they get together, but my job might have been very much more difficult if you had not shown so much co-operation, for which I thank you most sincerely. I hope that we shall all meet again at the next Congress, even if we go all the way to India. (Applause.)

Mr. C. A. Anderson, Sweden : I thank the President for his kind words to us in K.F. and in the City of Stockholm. It has been a great pleasure and a great honour for us to have this Congress in Stockholm, and it has been a great inspiration for us in K.F. to have had you here. I only hope that it will not be another 30 years before the next Congress is held in Stockholm! In the name of K.F., I invite you to come to Stockholm again much earlier than after 30 years. (Applause.)

The President: I declare the Congress closed.

Close of The Congress.

Appendices
to the
Report
of the
Central Committee

Reports of Auxiliary Committees—

- Appendix I. International Insurance Committee.
- Appendix II. International Banking Committee.
- Appendix III. Committee of Representatives of Workers' Productive and Artisanal Co-operatives.
- Appendix IV. International Committee on Agricultural Co-operation.
- Appendix V. International Committee on Housing.
- Appendix VI. International Co-operative Petroleum Association.
- Appendix VII. Report on the I.C.A. Mission to S.E. Asia.
- Appendix VIII. Organisations affiliated to the I.C.A.
- Appendix IX. Membership Subscriptions for the years 1954, 1955, 1956.

Report of the International Co-operative Insurance Committee

The Insurance Committee of the International Co-operative Alliance has been in existence now for 35 years and, throughout its history, two fundamental questions have dominated its discussions : nationalisation and international re-insurance.

While these two problems have not the same interest at all times and in all countries, periodically, at some point or other of the globe, a sudden evolution occurs which demands the attention of the Insurance Committee. This is what happened in 1956.

Nationalisation of Life Assurance in India.

At the beginning of last year, we received, through the Secretariat of the I.C.A., an article published in the *Bombay Co-operative Quarterly Review* commenting upon nationalisation of life assurance in that country.

The writer, Mr. S. G. Almoula, did not discuss the principle of nationalisation as such, but he vigorously denounced the fact that the Co-operative Societies were assimilated with capitalist societies in this field. He also demonstrated the virtues of co-operation for the consumer's utmost benefit.

The Executive Committee examined this question at their last meeting and, after a long exchange of views, they passed the following resolution :—

A. The Executive Committee notes with regret the decision of the Indian Government to nationalise the life assurance business, including that of the Co-operative Insurance Societies in that country.

It re-affirms the decisions taken by the Conference at Prague in 1948, and Copenhagen in 1951, to the effect that while nationalisation is understandable for social insurances, such as state pensions, co-operative methods offer better terms and conditions for the insured in other branches of insurance than a state monopoly system.

Co-operative insurance operates without seeking private profit, guarantees democratic control by the insured, and avoids all the undesirable features of private as well as state capitalism.

B. In the circumstances, it would appear that the Indian Co-operative Life Assurance Societies have ceased to be co-operative, and are, therefore, no longer eligible for membership in the Insurance Committee of the International Co-operative Alliance.

Co-operative Re-Insurance.

Co-operation strives to replace capitalist societies and to substitute the idea of "service" for that of "profit." Thus, in our respective countries, we are constantly in competition with limited liability societies. But, when a sound and careful administration compels us to find a re-insurer, we are obliged to turn to this capitalist market which we otherwise fight with all our strength.

This is why, from the creation of the Insurance Committee its initiators immediately envisaged the constitution of an International Society of Co-operative Re-insurance. But there were many obstacles and only individual relations between a few Societies were established before the last world war. When peace was restored, the members of the new Executive Committee re-examined the problem, with a desire to attain concrete results. With the help of a Sub-Committee of re-insurance experts they came to the conclusion that it was premature to create an International Society of Co-operative Re-insurance, with all the expenses it implied. They decided, however, to create a Re-insurance Bureau with the object of organising re-insurance contracts between Co-operative Societies.

To-day, and thanks mainly to the efforts of this Bureau which has been working since 1949, there are between the Societies affiliated to our Committee more than 200 re-insurance contracts assuring premiums totalling £920,000 or \$2,576,000.

Other Questions studied by the Insurance Committee.

The practical life of our Societies obviously raises problems which it is interesting to study in common in order to draw constructive conclusions from them.

Our International Conference meets every three years and, in the meantime, the Executive Committee studies different questions upon which one of its members makes a report to the Conference.

At the Paris Conference in 1954 the agenda included the following questions :—

1. Group life assurance ;
2. Participation of the Policy-holders in the profits of the Society ;
3. Publicity, Sales Organisation, and Public Relations.

An exhibition was organised of all the publicity material of the Co-operative Insurance Societies.

There were interesting exchanges of views between the delegates and it was decided to put the question of "Public Relations" on the agenda of the next full meeting.

At the Stockholm Conference the following points will be discussed :—

1. Experience of the Operation of Deductibles in various Lines of Insurances. Rapporteur - Mr. Seved Apeiqvist.
2. Bonus in non-life insurance. Rapporteur - Mr. Hans Weisshaar.
3. Lapsing of life policies. Rapporteur - Mr. Edvin Stor-Rank.
4. Public Relations. Rapporteur - Mr. Henri Lemaire.
5. Insurance of Atomic Energy. Rapporteur - Mr. Robert Dinnage.
6. Report of the Re-insurance Bureau. Presented by Mr. Raymond Lemaire.

Administrative Questions.

As the Insurance Committee is an Auxiliary Committee of the International Co-operative Alliance, it is quite natural that its activity should be regulated by certain conditions taken in accord with the Central Committee. Accordingly, we are submitting to the Conference two texts which were drawn up last year, copies of which have been sent to each member. These texts concern :—

1. The new rules of the Insurance Committee ;
2. Relations between the Central Committee of the Alliance and the Insurance Committee.

We must also mention in this section of the Report a documentation sent to affiliated members comprising :—

- a. A synthetic table of the balance sheets and profit and loss accounts of the Co-operative Insurance Societies ;
- b. A brochure containing the text of a lecture given by the Secretary of the Committee to the International Co-operative School of the Alliance.

Conclusion.

A study of the Committee's documentation shows that co-operative insurance enjoys a very satisfying extension throughout the world. The number of Societies is constantly increasing and most of them show a degree of prosperity which proves the confidence which the consumers, as the policy-holders, have in them.

Many Co-operative Insurance Societies are obliged to consider the re-organisation of their departments, and are building imposing offices which are creating a sensation in their respective countries.

The Insurance Committee reflects the development of the affiliated Societies. Its practical results, particularly in the sphere of international re-insurance, and its studies of questions of a general interest, have enabled it to render greatly appreciated services to the affiliated Societies. We are also convinced that co-operative insurance and the Insurance Committee, itself, will experience an ever-increasing development in the future.

HENRI LEMAIRE,
Secretary.

Appendix II.

Report of the International Co-operative Banking Committee

In view of the difficult political situation in Europe during 1956, and by general consent of the members of the Committee, no Banking Committee Meeting was held in that year, but one will be held in Stockholm in 1957.

Nevertheless, the usual banking statistics of all Banks adhering to the Committee were circulated from Manchester.

During the year a number of meetings were held in regard to the establishment of the International Co-operative Bank under the sponsorship of Kooperativa Förbundet, Stockholm, and Genossenschaftliche Zentralbank, Basle, and towards the end of the year a decision was taken to form the International Co-operative Bank, which initially should have a capital of U.S. dollars 310,000 which has been subscribed. It was hoped that this bank would have the support of the dollar aid from American Rehabilitation Fund, *vide*, the sponsorship of the Co-operative League of America, but it is understood that so far these funds have not been received.

S. TYLDESLEY,
Secretary.

Appendix III.

Report of the Committee of Representatives of Workers' Productive and Artisanal Co-operatives

During the last three years our Committee has carried into effect the objectives which were decided upon at the time of the Paris Congress in 1954, and in this the Executive and Secretariat have been greatly assisted by the support of all the affiliated Organisations.

New Members.

One of the first fruits of our efforts has been the affiliation of two new Organisations: Swiss Association of Social Building Enterprises, and Co-operative Bank of the Workers' Productive Societies of France. To both we extend a cordial welcome and look forward to the valuable assistance which they can bring to our work.

Meetings.

Since the Paris Congress our Committee has met twice ; at Basle on 4th September, 1955, and at Moscow, on 3rd September, 1956.

The number and quality of reports presented and the standard of the debates at these meetings augur well for the future.

On the whole, our activity has been strictly in accordance with the programme drawn up at Paris, but we have had to take new initiatives in the interest of the form of co-operation which it is our duty to promote.

Technical Courses.

After the experimental Course for Co-operative Building Workers, organised in August, 1954, at Paris by the French and Italian Federations, a more important Course for the same branch was organised at Naples in February, 1956, by the Secretariat.

Participants came from France, Israel, the two Italian organisations, Switzerland, and Czechoslovakia. The Director of the Course was Mr. Antoine Antoni, General Secretary of the General Federation S.C.O.P. of France.

The technical and moral results were remarkable ; as regards occupational training, the participants were able to improve their knowledge considerably by direct comparison ; from the moral point of view this week of work filled those taking part with a deeper spirit of international understanding.

The French Federation of Building and Public Works Co-operatives (Technical Branch of the General Confederation) devoted a special number of its review, *Chantiers Coopératives*, to the Course at Naples. This publication remains a valuable element in the records of our branch of co-operation.

The success of this Course has led us to repeat it for a different occupational branch. Thanks to the hospitality generously offered by the Swiss Co-operators, a course of instruction, this time for co-operative workers in the printing trade and graphic arts, will take place at Basle in 1958, at a date to be decided.

Monographs.

Since the meeting at Basle, the Committee have devoted part of each meeting to the detailed study of an occupational branch exploited by Workers' Productive or Artisanal Co-operatives ; Co-operatives of Printing Trades and Graphic Arts were studied at Basle ; Building and Public Works' Co-operatives at Moscow.

The studies contributed by each of the Organisations taking part were translated and duplicated by the Secretariat of the I.C.A. and included in monographs published in English, French, and German. In this way an invaluable documentation is being assembled concerning our branch of co-operation such as never before existed. Workers' Co-operation in Transport will be the subject of our next monograph.

In the same spirit, although it is not a question of a specific occupational activity, but rather of a social rehabilitation, by co-operation, of invalids (from

birth, war, or work), the Committee at Moscow decided the principle of a study of co-operatives for the disabled or maimed.

Study Visits.

The Secretary visited the Israeli Co-operatives in October, 1955, the Greek Co-operative Organisations in November, 1955, and the Co-operative Organisations of Western Germany in April, 1957. As regards the last named country, there is reason to hope that the contacts established will lead to a new affiliation.

Delegations, Representation.

The President, Mr. Charial, and the Secretary, Mr. E. Mondini, have represented the Committee at several Congresses, especially in France, Italy, and Switzerland.

In February, 1956, under the auspices of the authorities of the I.C.A., they expressed to the Director of the I.L.O. the desire that greater consideration should be given by the I.L.O., in its reports and activities concerning relations between employers and employees, to the specific activities of Workers' Co-operative Productive Societies. This interview seems to have had a favourable influence on the authorities of the I.L.O.

Exchange of Experiences.

Under the auspices of the Committee, exchanges of technicians have been arranged between Co-operative Organisations of Switzerland and Italy, of Italy and France, and of Czechoslovakia and France. This scheme, the benefits of which are obvious, is worthy of planned development and is one of our future tasks.

Statistics.

Our statistical documentation is gradually being completed; it is used regularly and gives inspiration to the work of the Executive and the Secretariat. It will not be possible, however, to envisage regular publications, so long as certain member Organisations fail to give the required information.

Comparative Study of Legislation.

We have shown previously the importance and the difficulties of this significant work. Steady progress is being made, although we cannot yet fix a date for its publication.

Contacts.

The President and Secretary have received co-operators in productive and artisanal trades from many different countries and endeavoured to enlighten them on their particular problems. These visitors included nationals of India, Japan, Libya, Indonesia, Ghana, Haiti, Mexico, Brazil.

Mr. Antoni, General Secretary of the General Federation of S.C.O.P. of France, was invited by the Government to go to Morocco to make contact with the potential co-operatives of this country. The visit will be made as soon as possible.

Reports of the President.

Since the meeting at Paris, our President, Mr. Charial, has presented at each meeting a detailed survey of the situation of Workers' and Artisans' Co-operatives, not only in the countries which are members of the Committee, but in all those of which we have information. This collection of reports will constitute, in the course of time, a real day-to-day history of workers' co-operative production throughout the world.

We can thus see traditions and customs growing up little by little within our Committee. At the same time, by means of new initiatives, the different National Movements are better able to help each other to realise their plans. The work of our Committee has played some part in this evolution and we intend to increase it, if possible.

E. MONDINI,
Secretary.

Appendix IV.

Report of the International Committee on Agricultural Co-operation Membership.

In the period since the Paris Congress, September, 1954, the Committee has comprised the same member organisations which were affiliated at the time of its creation at the Copenhagen Congress, 1951, namely:—

Allgemeiner Verband für das landwirtschaftliche Genossenschaftswesen in Oesterreich, Vienna, Austria.

Institut Provincial de Coopération Agricole, Liège, Belgium.

Ustredni Rada Druzstev, Prague, Czechoslovakia.

De samvirkende danske Andelselskaber, Copenhagen, Denmark.

Yleinen Osuuskappo jen Liitto, Helsinki, Finland.

Caisse Nationale de Crédit Agricole, Paris, France.

Fédération Nationale de la Coopération Agricole, Paris, France.

English C.W.S., Manchester, Great Britain.

Samband Islenskra samvinnufélaga, Reykjavik, Iceland.

Lega Nazionale delle Cooperative, Rome, Italy.

Confederazione Cooperativa Italiana, Rome, Italy.

Norges Kooperative Landsforéning, Oslo, Norway.

Kooperativa Förbundet, Stockholm, Sweden.

Glavni Zadruzni Savez, Belgrade, Yugoslavia.

Following discussions in the Committee on several occasions, endeavours have been made in various ways to extend this membership. The member organisations within the I.C.A. have been requested to try to interest Agricultural Co-operative Organisations in the idea of the I.C.A. The Organisations have also been approached in more personal ways, but neither of the procedures have led to any positive result. The Committee, however, see an important mission in continuing these efforts. It should be pointed out that the background for the establishment of the Agricultural Committee was in many respects different from that of other Auxiliary Committees. To some extent, the Agricultural Committee has been faced with

the difficult task of creating this background itself and of promoting the specific agricultural interest within the I.C.A., in the first instance by building up a body of interested member Organisations.

The difficulties in achieving results within a relatively short time are of various kinds. They may be due to the fact that the rural population differs in many respects from the majority of the members within the I.C.A., or to a generally pre-conceived opinion in agricultural circles that the I.C.A. has had, and still has, other interests than those of agriculture; or again that the Agricultural Co-operatives in their daily activity are usually so engaged on the purely practical business of production and marketing that the real co-operative basis receives less attention.

International collaboration in the carrying out of special co-operative tasks is, therefore, difficult to establish, but there should be better possibilities for such collaboration in the fields of practical business and trade policy.

Therefore, summing up these reflections it must be said that the membership question still presents an important task for the Committee, both with regard to increasing the number of member Organisations and to strengthening the interest of the Organisations already affiliated. But endeavours of this nature must take time and must, in the Committee itself as well as in other quarters, be regarded as a long-term programme.

The Activities of the Committee.

Some important problems were discussed at the Agricultural Conference convened in connection with the Paris Congress. The principal question, from the practical field, was a report on the different ways in which the co-operative idea is carried out within agriculture and the basic principles of the various branches of the Co-operative Movement. Another question was the principal lines of the future activities of the Committee, and in the course of this discussion, various recommendations were formulated to the leading organs of the I.C.A., i.e., the Executive and the Central Committees. Generally speaking, the recommendations expressed the view that the Agricultural Committee, in spite of difficulties in finding a final working system, had proved its value to the I.C.A. The Conference, among other things, recommended that all questions concerning agriculture be referred to the Committee for study and recommendation; that the leading organs of the I.C.A. should continue their efforts to establish and further contacts between the existing Agricultural Organisations in the various countries; that it was desirable to establish closer relations between the I.C.A. and other International Organisations working in the co-operative field. The Conference finally expressed the view that the I.C.A. should constitute a special section within its Secretariat to deal with agriculture and that this section should have the necessary technical assistance.

The problem of implementing these recommendations was under closer study at a meeting of the Sub-Committee at Hamburg in the spring of 1955, when it was reported that the Executive and Central Committee had, on several occasions, shown increasing interest in the work of the existing Auxiliary Committees. One result of this was the adoption of guiding principles for contact between the leading organs of the Alliance and the Committees. A decision had also been made to seek closer relations with other International Organisations in the co-operative field.

In connection with the Central Committee meeting at Basle in September, 1955, the Agricultural Committee held a plenary session. The Chairman's report on its work led to a long discussion on the question of closer collaboration in the agricultural field between the various countries in general, and the Co-operative Movement's position in particular. The Committee also discussed its future work in general, and during this discussion stressed that it was of the utmost importance that the I.C.A. should show the greatest possible interest in agricultural questions, in order to increase the possibilities of the Co-operative Organisations in agriculture joining the Alliance. It was pointed out that a step in this direction would be the creation of a special agricultural section supported by the Secretariat of the I.C.A. The principal question before the meeting, however, was the position of Agricultural Co-operation in the lesser-developed countries, the basis for which was a detailed report by Mr. Colombain. The very topical background to this question, which gave it special interest, was the endeavours made by the I.C.A. following the Copenhagen and Paris Congresses to help the lesser-developed countries. Different members of the Committee expressed the view that in the future activity planned in this field it must be made clear that co-operation in agriculture plays a very prominent rôle in most of the lesser-developed countries. The I.C.A.'s programme should, therefore, include a special study of agricultural questions. It was decided that Mr. Colombain's report should be communicated to the leading organs of the I.C.A., and the Committee promised its support and assistance in the working out and carrying out of the actual plans.

At the Basle meeting the Committee also had a preliminary discussion on other questions of special urgency to agricultural co-operation, such as its position in the present development in a number of countries towards leaving the supervision of agricultural exports to special Governmental Committees, which leads to marketing centralisation. The question of closer relations with other International Co-operative Organisations, already mentioned, was also discussed.

All the questions taken up by the Committee were later studied again by the Sub-Committee. At a meeting in July, 1956, the Sub-Committee had the opportunity to meet the I.C.A. Executive and this opportunity was used to present a picture of the general position of the Agricultural Committee. The Sub-Committee stressed that special technical support from the I.C.A. Secretariat was desirable and necessary, and that the best way would be to engage a specialist in agricultural co-operation. A majority of the Executive supported this point of view, and at a later meeting the Officers were authorised to take the necessary steps.

The Committee met again in Moscow in connection with the meeting of the Central Committee in September, 1956, when the Chairman's report on recent activities and the Committee's position in general gave rise to a discussion on a number of questions. The principal question was whether the work of the Committee was to be continued, and an evaluation of the active interest of the member Organisations in its work which was a condition for the continued existence. It was unanimously decided that the Committee should continue and the view was expressed that a decisive part of the future work must be the appointment of an agricultural specialist within the I.C.A. Secretariat. Because of a desire to discuss the structure of the Committee it was decided to include the election of members to the Sub-Committee on the agenda of the meeting to be held in connection with the Stockholm Congress.

At Moscow, the Committee further considered the problem of furthering the Co-operative Movement in the lesser-developed countries, and decided to inform the I.C.A. Executive and the Technical Assistance Sub-Committee, that the Agricultural Committee desires to be well informed about the progress of the technical assistance programme, especially in the fields of agriculture, and is prepared to assist in this work. Further, a closer scrutiny was made of the question of collaboration between I.C.A. and other international organisations, and of the position of Co-operative Organisations in agriculture in connection with the centralised marketing systems. As often before, the question of closer connections between Producers' and Consumers' Co-operatives internationally as well as in the individual countries was debated, and it was decided to make it the topic of future study, together with the importance of Consumers' Societies to the marketing and the supply of agricultural products.

Conclusion.

Looking at the activities of the Committee since the Paris Congress it must be admitted that a considerable part of the difficulties it has met with in its work are still present. Certain vital conditions for success are still missing in the picture. On the other hand, the working sphere of the Committee is an important part in the natural development of the I.C.A., in the further efforts along the principal lines of work in the past as well as in the assumption of new general lines for the future. The circle of people forming the basis for the practical work of the Committee has unanimously expressed the view that not only must the Committee continue to exist, it must also be consolidated and extended.

Therefore, this report must be concluded with an appeal to all good forces to co-operate towards this goal.

A. AXELSON DREJER,

Chairman.

Appendix V.

Report of the International Committee on Housing

As the first report which the Housing Committee presented to the Paris Congress showed, it had, from its constitution in 1952, devoted itself to studying some of the practical problems included in its programme. These studies have been continued with some satisfactory results.

During the period under review, the membership of the Committee has developed; contacts have been established with representatives of embryonic Housing Co-operatives in a number of countries outside Europe, also with Co-operative and non-co-operative Organisations especially interested in the housing problem.

The first stage of the study on **Housing Finance** was concluded with the publications in three editions, English, French and German, of a brochure prepared by Mr. H. A. Ashworth, Great Britain, on "Housing Finance in Western

Europe." This brochure has had a very good reception not only by the Co-operative Housing Organisations, but by International Organisations like the I.L.O., the Housing Committee of E.C.E., as well as by Young Movements in Latin America and South East Asia which are endeavouring, by co-operative methods, to make a contribution to the solution of the housing problem of their respective countries.

The production of, and trade in, **Building Materials** is still being studied. In many countries, as is well-known, the building industry is, to a large extent, in capitalist hands. From the point of view of the consumer it is, therefore, very important that the Housing Co-operatives should obtain a greater degree of control over both the production and the sale of materials. The Committee's initial efforts in this connection were confined to the Scandinavian countries because of the close collaboration which exists between the Consumers' and the Housing Co-operative Organisations, also because all the Scandinavian Co-operative Wholesale Societies undertake a certain trade in building materials.

The Committee is very conscious of the need, both for ideal and material reasons, for closer **Co-operation between the Consumers' and Housing Movements** in all countries, and steps have been taken to promote relations where they do not exist.

The possibility and the need also exist for **Co-operation between the Housing Committee and the Auxiliary Committee of Workers' Productive Societies**, many of whose affiliates are in the building and allied trades, and joint discussions have started.

Wherever possible, the Committee is giving support to the Alliance in the sphere of **Collaboration with other International Organisations**, and one of its members, Mr. L. Robert of France, regularly attends the meetings of the Housing Committee of the Economic Commission for Europe as I.C.A. observer. The first direct contact which the Committee had with International Organisations was in February of last year when some of its members took part in the I.C.A. delegation to the Director General of the I.L.O., to express its dissatisfaction with the references to co-operative housing in a resolution voted by the First European Regional Conference of the I.L.O. the previous year. Following the reception of the delegation by the Director General, useful discussions took place with officials of the I.L.O. directly concerned with housing, also with the Secretary and other officials of the E.C.F. Housing Committee. These contacts, and the relations which have followed, are mutually appreciated.

In pursuit of its desire to assist the establishment of Housing Co-operatives in countries where they do not exist, also to contribute to the Technical Assistance Programme of the Alliance, the study undertaken by Dr. E. Bodien, of the German Federal Republic, of the rules of Housing Co-operatives in a large number of European and some non-European countries with a view to drawing up **Model Rules for Co-operative Housing Societies** has been completed, and their text will be submitted to the Housing Conference at Stockholm.

The members of the Committee are aware that there is a real interest in certain South East Asian and Latin American countries, where the housing problem is acute, for the establishment of Housing Co-operatives; that responsible persons in those countries consider that housing, as one of the elementary needs of man, should be organised on a co-operative basis; therefore, the I.C.A. Committee, composed of representatives of old and traditional Co-operative Organisations, feels that it can render services to the people in the lesser-developed countries by assisting the development of Housing Co-operatives, giving technical advice, etc. This opinion is held also by the members of the Technical Assistance Sub-Committee and they have accordingly decided to include a housing expert, chosen by the Housing Committee, in the I.C.A. delegation to the S.E. Asian Conference.

New problems recently agreed upon for study by the Committee include **Speculation in Real Estate** and the **Rôle of the Housing Committee in Economic Trends**.

The collection and dissemination of **Statistics of Housing Co-operatives** and other information concerning them, generally, is undertaken by the Secretariat of the I.C.A.

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As the period covered by this report closes, the Housing Committee has suffered a very great loss by the death, as a result of an accident, of its Chairman, **Mr. Thor Pedersen** of Denmark. Mr. Pedersen took a prominent part in the preliminary work which led to the constitution of the Committee in 1952. He was unanimously elected Chairman at the first meeting of the Committee, since when he has played a leading part in all its activity and has not only given to its work his expert knowledge of the housing problem, but has used his personal influence within the Scandinavian countries in promoting its prestige and importance.

Mr. Pedersen will be greatly missed by all members of the Committee as their very able Chairman, and equally on personal grounds, but the rôle he played in the early years of this young Auxiliary will certainly inspire them in their future work.

G. F. POLLEY,
Secretary.

Appendix VI.

Report of the International Co-operative Petroleum Association

The International Co-operative Petroleum Association was organised in 1947 to serve Oil Co-operatives throughout the world. Its membership now consists of 28 Co-operatives in 18 countries. Its headquarters are at 11, West 42nd Street, New York, New York, U.S.A.

The governing body of the Association is a Board of eight Directors. The President is Albin Johansson of Sweden, the Vice-President is John Davidson of

Scotland, and the Secretary-Treasurer is Howard A. Cowden of the United States. Other Directors are S. L. Kassell, England ; A. C. F. Hendrikse, Holland ; Mohamed Zaky Aly, Egypt ; and H. Rudin, Switzerland. There is one vacancy on the Board at the present time caused by the death of A. J. Cleuet of France.

This year will mark the tenth anniversary of the organisation of the I.C.P.A. In that period of time, it has delivered to its patrons in excess of \$15,000,000 of petroleum products and has realised net savings for its members of over \$650,000. Its total assets now stand at \$1,678,000 and patrons equity has grown from slightly over \$15,000 to greater than \$500,000.

While primarily the I.C.P.A. has functioned as a supply organisation for lubricating oils and greases, it has also worked with its members on fuels, crude oils, waxes and all other types of petroleum products. In certain areas where it is difficult or impossible for the members to make payment in dollars, it has arranged for shipments of products from England so that payment could be made in Sterling. Likewise, agreements have been negotiated with sympathetic independent refiners for the delivery of fuels to certain members because it is not economically possible to ship these fuels from Co-operative Refineries in the United States.

The membership of the Association includes both Consumer and Agricultural types of Co-operative, and in many countries products of the I.C.P.A. serve to motivate agricultural implements of the country as well as to lubricate and power vehicles of the Consumers' Co-operatives. During the past year, the I.C.P.A. has made its first shipments of lubricating oils to the Agricultural Co-operatives of Germany and Italy, and it is anticipated that deliveries and services to both these groups can be expanded considerably in the future.

The bulk of lubricating oils and greases delivered to I.C.P.A. members originate from the world's only Co-operative Lubricating Oil Refinery - the refinery of the Consumers' Co-operative Association at Coffeyville, Kansas, U.S.A. The reputation of co-operatively produced lubricants has grown throughout the world and the constant research and laboratory analysis that goes into the production of these oils serve as an additional guarantee that CO-OP oils as supplied by the I.C.P.A. are second to none.

Holland, Sweden, and Egypt were the largest consumers of I.C.P.A. products in the past year, but shipments went to many other countries as well. Petroleum co-operatives in many countries are continuing to expand their operations as is well-illustrated by the case of the Centraal Bureau in Holland which, in a very short number of years, have developed a complete petroleum programme covering fuels and lubricants, storage facilities, delivery trucks and other services enabling them to offer a complete programme to their members. In Egypt, the Petroleum Co-operative has grown to the point that it is in excess of 30 per cent of the total petroleum business of the country. In Israel and in Denmark, during the past year, purchases of I.C.P.A. lubricating oils have increased tremendously. Throughout the world there is an upsurge in co-operative petroleum development which is greatly needed at this time to combat the staggering growth of the oil monopolies.

The I.C.P.A. is pursuing all possibilities regarding refining capacity and crude oil leases toward the end of an integrated petroleum co-operative. Investigations are now under way concerning the practicality of either buying an interest in an existing European refinery or joining with some other independents in building refining facilities. Attention is also being given to the idea of processing agreements with an independent refinery that has some idle capacity.

World-wide petroleum consumption continues to spurt upward, making all the more vital co-operative ownership of oil production, transportation, refining and distribution. The major oil companies of the United States, England, France, and Holland are constantly increasing their holdings of petroleum facilities and, consequently, their grasp on the economic life of all peoples. It is imperative that the Co-operative Movement keep pace with this upward march and gain with all possible speed a more secure foothold in petroleum than it presently holds. The I.C.P.A., in co-operation with all of its members, is attempting to reach this goal.

In our modern civilization, oil is not simply a marketable product - oil is power. It plays an increasingly large part in international politics. Oil of the Middle East brought the world to the brink of a major catastrophe only a few short months ago and, while to-day the situation is much more calm, the basic cause for the disturbance remains. It was in view of this that the I.C.P.A. Board at its last annual meeting, acting on the suggestion of its Secretary-Treasurer, Howard A. Cowden, expressed the desire that the I.C.A. again call on the United Nations to study the Middle East petroleum situation with a view to recommending whatever international regulations and procedures would assure the settlement of differences over access to these vast resources by peaceful means. This resolution was adopted by the I.C.A. Central Committee meeting in London in February of this year.

In modern business society, a co-operative acts as a yardstick or "middle-way" to check the price policies and excessive growth of monopolistic companies. The full impact, therefore, of the operations of the I.C.P.A. - like other Co-operative Organisations - cannot be measured solely in terms of the money that it returns to its members as a direct saving on purchases. Its influence as a deterrent on the pricing policies of major oil companies is a factor that is almost impossible to calculate.

Despite the many difficulties that have beset international trade recently and despite opposition from established major petroleum companies, the I.C.P.A. has progressed and rendered service to its members during its first ten years. Such growth is a tribute not only to its founders but also to its loyal and growing membership. Only a fraction, however, of what needs to be done has been done, and in the coming years we must go forward more rapidly so that co-operators in all countries may derive the benefits from the vast wealth of oil that is now controlled by a few. To that end, the International Co-operative Petroleum Association dedicates its future operations.

HOWARD A. COWDEN,

Secretary-Treasurer.

The I.C.A. Mission to Asian Countries 1955-56.

Dr. George Kéler's Report.

In this report I present the conclusions arrived at from my rapid survey of the present position and the future prospects of the Co-operative Movement in the Asian countries visited, and make some suggestions concerning the technical assistance to be extended by the I.C.A. to Co-operative Organisations in those countries.

If judged by the cordiality of the reception accorded to me in all the countries visited, my mission was a success. This reception was a clear evidence of the prestige enjoyed by the I.C.A. all over the world, and also showed how much the decision of the Alliance to send a representative to Asia was appreciated both by the co-operators and by official circles. In practically every country the Mission was given considerable publicity in the local press; in addresses delivered at meetings and social functions, in lectures to large audiences and broadcasts by Radio Pakistan and Radio Indonesia (the latter in seven Asian languages), I had ample opportunity for disseminating information about the activities of the I.C.A. and about International Co-operation in general.

In my Interim Reports I have endeavoured to give as true a picture of the present position of the Co-operative Movements visited as I was able to form in the light of the documentation received, consultations with government officials, co-operative leaders and other persons concerned with co-operation, and of my personal impressions. There is not much to add to this picture.

Everywhere there exist more or less well-established Agricultural Co-operative Organisations sponsored, financed and controlled by the Government and, in certain cases, managed by Government officials. Everywhere, and especially in the former colonies, where the great popular movements which have been fighting for independence have won the support of the masses by promising them radical reforms, there is a genuine desire to raise the standard of living of the population and to transform the country into a welfare state. The slogan "Co-operative Commonwealth" is on everybody's lips and, so far as agriculture is concerned, it is generally recognised that Co-operation is the most effective means of raising productivity in this branch of the national economy and improving the living conditions of the small farmers. Consequently, the promotion of the Agricultural Co-operative Movement is part and parcel of the programme of nearly every political party, and of the official policy of the Governments.

Revolutionaries - and the present leaders of the former colonies can rightly be considered as such - are by nature impatient and are prompted by a sense of urgency fully understandable in view of the backward state of their countries. They have also a doctrinaire faith in the possibility of changing the state of things by laws and administrative measures. No wonder, therefore, that, faced with the

low cultural standard of the village population and the lack of local leadership, they are not satisfied with encouraging the development of the Co-operative Movement by providing the necessary guidance and financial assistance, but are inclined also to interfere with the management of Co-operative Organisations.

In some of the countries visited, e.g., India and Indonesia, the most striking development, at least as far as the number of recently formed Societies is concerned, was perhaps in the field of Handicraft Co-operation. Handicrafts are generally considered to be an indispensable complement of agriculture but, even in such cases where they have developed into an independent branch of the national economy, the respective Governments are making considerable efforts in order to further co-operation among the small artisans, and financial assistance to them is being channelled through the co-operative system. Government intervention with the management of the Societies is, in most cases, as far-reaching as in the case of Agricultural Co-operative Organisations.

In several countries substantial government assistance has also been granted fairly recently to the Consumers' Co-operative Movement and in some cases, e.g., Ceylon, Burma and Thailand, it has taken the form of a regular "Store-Drive." This was in the post-war period of rationing, when the Governments considered it necessary to create a network of reliable distributive outlets capable of undertaking the sale of rationed commodities on behalf of the authorities and under their supervision. In Thailand and Burma, where most of the retailers are foreigners, encouragement to Consumers' Co-operation was also considered as a means of transferring part of the trade into national hands. Even in countries like Pakistan, India and Japan, where Consumers' Co-operative Societies have developed without any special support from the Government, the distribution of rationed commodities had given a fillip to the Movement and had resulted in a considerable increase in the number and membership of the Societies. However, in all these countries, the abolition of rationing put an abrupt end to the artificial boom and the Movement is everywhere experiencing a severe crisis in which even the Wholesale Societies, where such exist, have become involved. Only in Japan has the Consumers' Co-operative Movement been able to overcome the crisis and consolidate its position to some extent, but even there about half of the co-operatives are still so-called office and factory societies, and only very few of the independent societies have achieved a certain importance.

Generally speaking, in all the countries visited conditions for the development of a strong Consumers' Co-operative Movement are rather unfavourable, as there exist everywhere innumerable small retailers and pedlars whose standard of living is incredibly low and, consequently, the retail margin is extremely small. Generally, too, Consumers' Societies are finding it very difficult to purchase branded goods on reasonable terms from the local representatives of the factories concerned. It is quite evident that the establishment of strong and well-organised Wholesale Societies alone could bring about a change for the better.

However, the transformation of the existing Agricultural Co-operative Societies into truly democratic organisations and the extension of their activities, as well as the development of the Consumers' Co-operative Movement, depend, in the last

instance, upon proper publicity and the systematic education of the members and office-bearers of the Societies. Except in Japan, where the magazine of the "Home Light Association" has reached the impressive circulation of 1.3 million copies, and perhaps in India, where some of the provincial and district unions are publishing co-operative newspapers in the vernacular languages, press publicity is in the main restricted to those already active in the Movement. Co-operative films, too, are hardly being used in any other country than Japan. Thus co-operative propaganda is generally only conducted by Government officials in meetings and in their daily contacts with the village population. As to education, Co-operative Colleges or Training Institutes, some of them model institutions, exist in nearly every country, but most of them are exclusively concerned with the training of Government officials or, in some cases, with giving instruction in technical subjects such as book-keeping, to office-bearers and clerks of Agricultural Societies.

Thus the general picture shown by the Interim Reports is far from satisfactory. But, as also appears from those reports, there are in nearly every country good and even excellent Co-operatives managed by able men, in some cases women, with the active participation of the members who, in spite of utter poverty and illiteracy, are faithful to their Society and ready to make sacrifices for the common cause. There are also among the politicians, intellectuals and members of the upper and middle classes people endowed with a high sense of social responsibility, and inspired by a sincere desire to improve the lot of their fellow-countrymen, who are willing to further co-operation as a means to achieve this goal. Finally, there are among the Government officials in charge of co-operation, and their staffs, enlightened men and well-informed co-operators who are fully aware of the shortcomings of the Co-operative Organisations in their respective countries and ready to encourage every initiative of voluntary co-operation. In many instances it was due entirely to their guidance and wholehearted support that free and democratic Co-operative Unions or Councils were formed which, if given the opportunity of gathering strength and momentum, can gradually assume the tasks of publicity and education, also, at a later stage, even those of control and auditing.

There exist, therefore, foundations on which technical assistance to be granted by the I.C.A. can be organised, and there are co-operators, official and unofficial, who can be counted upon as suitable collaborators in any kind of action to be undertaken by the Alliance. As to the necessity and urgency of such assistance, none who has had the opportunity of gaining an insight into conditions prevailing in the Asian countries can entertain the slightest doubt. The democratic system of government recently introduced in those countries can only be maintained and consolidated if it is based on a social and economic structure capable of securing the rapid development of the productive resources of the nation and the raising of the standard of living of the broad masses. As was said earlier, there is plenty of good will and enthusiasm in the Asian countries, even if far too much energy is being spent on futile political controversies, and many useful initiatives are being spoilt by a corrupt and inefficient bureaucracy. But the problems with which these countries are confronted are of such a magnitude that they cannot be solved without foreign assistance. Much has already been done in this respect and much is being done every day. One cannot but feel admiration for the accomplishments of the U.N. Technical Assistance Administration, the Inter-Governmental

Agencies, the U.S. International Co-operation Administration and many other official and unofficial organisations. But, as far as the Co-operative Movement is concerned, the assistance extended to the Asian countries, with very few laudable exceptions, has been more or less incidental and much money and energy has been wasted by the work of experts sent out to the area on short assignments not being followed up.

As my Interim Reports indicate, most Asian Governments are spending huge sums on the development of Co-operative Organisations and, if the results achieved leave very much to be desired, it is not for lack of funds but, in most cases, for lack of experience. The I.C.A., on the other hand, can rightly be considered as a pool of the accumulated experience of its members who, by the adoption of the Paris resolution, have manifested their willingness for the less advanced members of the co-operative family to benefit by this experience. The question is, how can this be done in a practical and systematic way? I will try to make some suggestions based on my consultations with co-operative leaders and government officials in the countries concerned.

First of all, it is my firm conviction that it is absolutely necessary for the I.C.A. to set up an **Asian Regional Office** which, to begin with, should merely act as a contact organ and an agency for conducting surveys, but not as a body of experts; its staff should only consist of a European co-operator and a locally-recruited secretary, but the possibility should be left open to hire the services of natives of the country where a survey is being made for the duration of the work. The question of location is one to be decided in agreement with the countries concerned.

If and when the authorities of the I.C.A. have decided to establish an Asian Office, an Asian Co-operative Conference should be convened after consultation with the members of the Alliance in the area.

It is a fairly general opinion among Asian co-operative leaders that **Technical Assistance** should, as far as possible, have an Intra-Asian character. This is a well-motivated desire as, even if some countries are more advanced than others, conditions within the area are rather similar, and it can be assumed that the Movement in one Asian country can benefit more by experiences gained in a neighbouring country than by those of European or American Movements. This assumption, however, can only be accepted with considerable reservations as the Asian Movements, as a whole, are in many respects still in a very primitive stage of development and very much in need of guidance and assistance from older and more advanced Co-operative Organisations. The possibility of Intra-Asian assistance, however, should never be overlooked and, as a matter of principle, the I.C.A. should be prepared to organise, also if necessary to finance, such assistance. In this respect its Asian Office should act as a co-ordinating organ.

The most popular forms of technical assistance are undoubtedly Scholarships and Fellowships. Extreme caution, however, is needed concerning the selection of students and, in my opinion and that of many Asian leaders, Scholarships should only be granted to young men already active in the Movement who can be expected to make co-operation their career, and only for specified studies.

Guarantees should also be required for their re-employment after completion of their studies. This assistance will be limited however, since hardly any of the eligible young men speak any other European language than English and in most cases the interest would be in agricultural co-operation.

As regards Fellowships for more experienced co-operators for study visits in foreign countries, their usefulness from a purely technical point of view can rightly be questioned, as the time spent in the countries is usually too short for any practical studies. On the other hand, meetings with people in responsible positions who have visited European or American Co-operative Organisations convinced me that such study visits have a psychological effect, the importance of which can hardly be exaggerated. I have, therefore, come to the conclusion that the I.C.A. should devote a substantial portion of the Fund available for technical assistance to Fellowships to be granted not only to co-operators but even to government officials in charge of co-operation.

Considering the difficulties and costs of providing educational facilities to students in European or American colleges, the obvious solution of this crucial problem would be to set up a Regional College or rather two Colleges - one for agricultural co-operation, one for consumers' co-operation - in some Asian country. Such College, or Colleges, should be in the nature of a pilot scheme, and be linked with a demonstration area to make it possible for students to acquire practical experience. The curriculum of the College should be concentrated on practical subjects, as what is most needed in Asian countries is technical know-how. The principal and the teachers would have to be provided by the I.C.A. from among European or American co-operators, but Asian assistants should be employed from the very outset and the aim should be to hand over the College to the Asian Movements as soon as possible. It is not impossible that one or other of the Movements would be willing to provide the necessary premises, which could be more simple than the standard of European colleges. It is also probable that the Movements concerned would assume the responsibility for the salary of the assistant teachers, and the subsistence of students nominated by them. In this case the I.C.A. would only have to pay the salaries and travelling expenses of the European or American teachers, and to provide part of the equipment of the College. Even so the costs of such a pilot scheme would be quite substantial and it may, therefore, appear advisable to try to realise it in co-operation with the I.L.O.

In any case, the establishment of a College, or Colleges, should be preceded by a careful survey of the actual needs of the Asian Movements. It is also evident that no action should be taken without an assurance of their wholehearted support. Therefore, and because in my opinion it is a matter of vital importance for the future of Co-operation in Asian countries, it is highly desirable that it should be discussed in principle at the proposed Conference. Regional Seminars of the kind arranged in recent years by the I.L.O., useful as they are as a means for exchanges of experiences between co-operators in responsible positions, cannot serve as a substitute for colleges, the purpose of which must be to give practical training. Once again, I would emphasise, in this connection, that the main hindrance to the development of voluntary co-operation in Asia is not so much the lack of qualified leaders but the poor moral and educational standard of Society managers and secretaries.

As to other forms of assistance in the field of education, there is not much to be added to the programme already approved by the Executive. The demand for books, publications, films, etc., is very great, but for the time being most of the educational work is undertaken by government training schools and government officials and, generally speaking, non-official organisations do not have the necessary funds and personnel to engage in such activities. In my opinion the I.C.A. should not abstain, therefore, from giving such assistance to government institutions as well. After all, it would be absolutely unrealistic to assume that a free and voluntary Co-operative Movement should be developed in Asian countries without the co-operation of the authorities and it is, therefore, highly desirable that the officials concerned should be educated in the right spirit, and that when they, in turn, are doing educational work among the office-bearers and members of the Societies, they should have access to suitable books, visual aids, etc.

In this connection I would like to mention that, during my visits, I was asked several times whether there exists a simple, clearly written handbook on how to organise a local co-operative society. It appears that UNESCO published a book on this subject, but that it is not suitable for the purpose. If this is true, I think the I.C.A. should urgently take up the matter and commission a well-qualified person to write such a book.

One of the most usual forms of technical assistance and, at the same time, one of the most delicate problems in this connection, is the provision of foreign experts. So far as the Co-operative Movement is concerned, experts have hitherto mostly been supplied by the I.L.O., and some are now working in the field. It is generally recognised that much useful work has been done by experts and, in many cases, their services have been of the greatest value. It is a well-known fact that there is a great shortage of suitable experts and, while the I.C.A. should be prepared to grant this form of assistance if asked, the greatest possible circumspection would be needed in selecting the right people. If fully-qualified persons are not available, it is better not to comply with requests than to send unsuitable people. Persons assigned on expert jobs should be properly paid and in no case should their remuneration be made dependent on the good grace of the receiving organisation.

In nearly every country I visited, considerable interest was shown for assistance in the field of inter-co-operative trade. This applies to the marketing of agricultural products and handicrafts, as well as to the purchase of farmers' requisites and consumers' goods. Most of the foodstuffs and raw materials marketed by Agricultural Co-operatives in Asia - rice, fruit, tea, spices, desiccated coconut, copra, rubber, etc. - are regularly bought in large quantities by Western Wholesale Societies and could, with some goodwill, certainly be purchased from co-operative sources. No form of assistance could be a stronger incentive to the development of the Co-operative Movement from a material and moral point of view, than assistance in the sphere of inter-co-operative trade. The greatest possible efforts should be made in this direction and, if the establishment of trading relations is hampered by considerations of quality, no pains should be spared to teach the co-operatives concerned how to produce first-class goods and how to process them properly. As to handicraft products, of which an enormous variety are made in

every Asian country, often of a high artistic quality, the market for them in the Western countries is no doubt rather limited but, with the number of co-operative departmental stores steadily increasing, it should be possible to create a certain demand for this type of goods by means of special exhibitions, articles in the co-operative press, etc. Even the purchase of relatively small quantities by Western Wholesale Societies would be very much appreciated. As I said before, even the supply of goods by Western Wholesales to Asian Consumers' Co-operatives may be regarded as a form of technical assistance. Wholesale Societies exist in few Asian countries and are extremely weak. In the whole Consumers' Movement there is a tremendous lack of commercial experience and, in many places, I was told that great difficulties are experienced in obtaining branded goods on reasonable terms. Much could be done by the Western Wholesales to provide the Asian Movements with reliable sources of supply and, perhaps, help them in some way or other to develop their own brands for certain kinds of commodities.

Once an Asian Regional Office of the I.C.A. has been established, and permanent contacts have been created between the Alliance and the Asian Movements, many new needs and possibilities for technical assistance will undoubtedly arise. It will be for the head of the Regional Office to examine them and make detailed suggestions concerning the necessary action.

Co-operation has a mission to fulfil in Asia not only as a means of economic and social rehabilitation, but also as a breeding ground of true democracy. Since the existing Co-operative Organisations are incapable of playing this rôle without guidance and effective assistance from the elder Movements, Western co-operators are faced with a gigantic task, one which demands considerable sacrifice; but, if they want to live up to their high ideals, they must act, and act quickly.

Organisations Affiliated to the International Co-operative Alliance

Argentina	Federación Argentina de Cooperativas de Consumo, Buenos Aires.
Australia	The Co-operative Federation of Australia, Sydney.
Austria	“Konsumverband” Zentralverband der österreichischen Konsumgenossenschaften, Vienna. Oesterreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Vienna. Oesterreichischer Genossenschaftsverband, Vienna. Allgemeiner Verband für das landwirtschaftliche Genossenschaftswesen in Oesterreich, Vienna.
Belgium	Société Générale Coopérative, Brussels. Fédération Nationale des Coopératives Chrétiennes, Brussels. “L'Economie Populaire,” Ciney (Namur). L'Institut Provincial de Coopération Agricole, Liège. Office des Pharmacies Coopératives de Belgique, Anderlecht-Brussels.
Brazil	Centro Nacional de Estudos Cooperativos, Rio de Janeiro.
*British Guiana	British Guiana Co-operative Union, Ltd., Georgetown.
Bulgaria	Central Co-operative Union, Sofia.
Canada	The Co-operative Union of Canada, Ottawa. Le Conseil Canadien de la Coopération, Quebec.
Ceylon	The Co-operative Federation of Ceylon, Colombo.
Colombia	Cooperativa Familiar de Medellin, Ltda., Medellin.
Czechoslovakia	Ustredni Rada Druzstev, Prague.
Denmark	De samvirkende danske Andelsselskaber, Copenhagen. Det Kooperative Faellesforbund i Danmark, Copenhagen.
Eire	Co-operative Development Society, Ltd., Dublin.
Egypt	Société Coopérative des Pétroles, Cairo.

*Associate Members

- Finland** Kulutusosuuskuntien Keskusliitto, Helsinki.
 Yleinen Osuuskauppojen Liitto, Helsinki.
 " Pellervo Seura," Helsinki.
- France**..... Fédération Nationale des Coopératives de Consommation, Paris.
 Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris.
 Banque Coopérative des Sociétés Ouvrières de Production de France, Paris.
 Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, Paris.
 Fédération Nationale de la Coopération Agricole, Paris.
 Caisse Nationale de Crédit Agricole, Paris.
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Paris.
- Germany** Zentralverband deutscher Konsumgenossenschaften, Hamburg.
 Grosseinkaufs-Gesellschaft Deutscher Konsumgenossenschaften, Hamburg.
 Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne.
- Ghana** The Alliance of Ghana Co-operatives, Ltd., Accra.
- Great Britain**..... The Co-operative Union, Ltd., Manchester.
 Co-operative Wholesale Society, Ltd., Manchester.
 Scottish Co-operative Wholesale Society, Ltd., Glasgow.
 Co-operative Productive Federation, Ltd., Leicester.
 Also about 600 Societies.
- Greece**..... Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), Athens.
- Holland** Centrale der Nederlandse Verbruikscoöperaties, Rotterdam.
- Iceland** Samband Isl. Samvinnufélaga, Reykjavik.
- ✓ **India** All India Co-operative Union, New Delhi.
- Israel** General Co-operative Association of Jewish Labour in Erez-Israel " Hevrat Ovdim," Ltd., Tel-Aviv.
 " Merkaz " Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv.

Italy	Lega Nazionale delle Cooperative, Rome. Confederazione Cooperativa Italiana, Rome.
Jamaica	The Jamaica Co-operative Union, Ltd., Kingston.
Japan ✓	Nippon Seikatsu Kyodokumiai Rengokai, Tokyo. Zenkoku Nogyokyodokumiai Chuokai, Tokyo.
Malaya, Federation of ✓	Co-operative Union of Malaya, Kuala Lumpur.
*Mauritius	Mauritius Co-operative Union, Port Louis.
*Mexico	Confederación Nacional Cooperativa de la Republica Mexicana, Mexico.
New Zealand	Hutt Valley Consumers' Co-operative Society, Ltd., Lower Hutt.
Nigeria	Co-operative Union of Eastern Nigeria, Ltd., Aba.
Norway	Norges Kooperative Landsforening, Oslo. A/L Norske Boligbyggelags Landsforbund, Oslo.
Pakistan ✓	Punjab Provincial Co-operative Bank, Ltd., Lahore. Punjab Co-operative Union, Lahore. All-Pakistan Co-operative Association, Lahore.
Roumania	Uniunea Centrala a Cooperativelor de Consum "Centrocop," Bucharest.
Sudan	Sudan Co-operative Union Ltd., Khartoum.
Sweden	Kooperativa Forbundet, Stockholm. Hyresgästernas Sparkasse- och Byggnadsforeningars Riksförbund, Stockholm. Kooperativa Kvinnogillesförbundet, Stockholm.
Switzerland	Verband schweiz. Konsumvereine, Basle. Verband ostschweiz. landwirtschaftlicher Genossen- schaften, Winterthur. Verband sozialer Baubetriebe, Zurich.
U.S.A.	The Co-operative League of the U.S.A., Chicago. Consumers' Co-operative Association, Kansas City.
U.S.S.R.	Central Union of Consumers' Co-operative Societies of the U.S.S.R. and R.S.F.S.R., "Centrosoyus," Moscow.
Yugoslavia	Glavni Zadruzni Savez FNRJ, Belgrade.

*Associate Members

Appendix IX.

Subscriptions Received for the Years 1954, 1955, 1956

	1954.			1955.			1956.		
	£	s.	d.	£	s.	d.	£	s.	d.
Australia.....	40	0	0	40	0	0	40	0	0
Austria.....	389	7	8	371	5	6	448	0	8
Belgium.....	590	12	0	683	8	0	681	0	0
Brazil.....	2	7	0	2	7	0	2	7	0
Bulgaria.....	96	0	0	96	0	0	96	0	0
Canada.....	217	0	5	271	5	6	275	19	3
✓Ceylon.....	*			*			100	0	0
Czechoslovakia.....	1,689	15	0	1,747	12	6	1,802	5	0
Denmark.....	600	0	0	600	0	0	600	0	0
Egypt.....	5	15	6	10	0	0	10	0	0
Finland.....	1,191	3	0	1,179	4	0	1,181	7	0
France.....	2,631	3	1	2,598	6	7	2,522	19	11
Germany.....	1,263	18	9	1,159	0	0	1,156	0	0
Ghana.....	96	0	0	96	0	0	96	0	0
Great Britain.....	9,987	9	8	9,970	10	0	10,447	4	0
Greece.....	96	0	0	96	0	0	—		
Holland.....	449	15	0	442	5	0	441	0	0
Iceland.....	96	0	0	96	0	0	98	0	
✓India.....	—			60	0	0	60	0	0
Israel.....	320	0	0	360	0	0	360	0	0
Italy.....	1,097	16	0	1,161	0	0	1,160	17	0
✓Japan.....	190	0	0	190	0	0	190	0	0
Jamaica.....	10	0	0	10	0	0	10	10	0
✓Malaya.....	*			*			96	0	0
Mauritius.....	*			*			25	0	0
New Zealand.....	2	0	0	2	0	0	—		
Nigeria.....	5	0	0	5	0	0	20	0	0
Norway.....	347	17	6	428	14		428	14	5
✓Pakistan.....	128	0	0	128	0	0	144	0	0
Roumania.....	96	0	0	96	0	0	96	0	0
Sweden.....	1,200	0	0	1,332	0	0	1,332	0	0
Switzerland.....	696	0	0	696	0	0	736	16	4
U.S.A.....	860	0	0	1,796	0	0	1,795	11	1
U.S.S.R.....	6,003	4	4	6,000	0	0	6,000	0	0
Yugoslavia.....	96	0	0	96	0	0	96	0	0
	<u>30,494</u>	<u>4</u>	<u>11</u>	<u>31,819</u>	<u>18</u>	<u>6</u>	<u>32,549</u>	<u>11</u>	<u>8</u>

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