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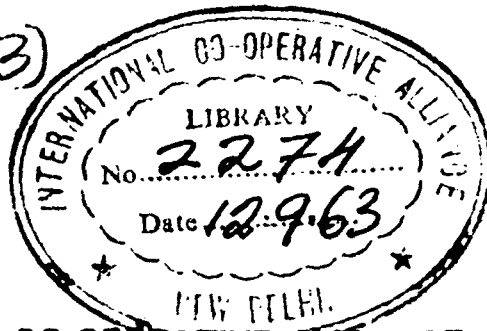
International Co-operative Alliance

11 Upper Grosvenor Street, London, W.1.

**Report of the
Twenty-First Congress
at
Lausanne**

10th to 13th October, 1960

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**INTERNATIONAL CO-OPERATIVE ALLIANCE
6, Conning Road, New Delhi-1**

21st Congress
Lausanne

Table of Contents

Committees of the I.C.A.—	Page
I. Executive.....	v
II. Central Committee.....	v
III. Congress Bureau.....	vi
Past Congresses.....	vi
Guests and Delegates present at the Congress—	
Guests.....	vii
Delegates of Constituent Members.....	viii
Opening of the Congress.....	1
First Session	
Welcome on behalf of the Swiss Government.....	1
Welcome on behalf of the City of Lausanne and Canton du Vaud.....	3
Welcome on behalf of V.S.K.....	4
Inaugural address of the President.....	6
Reception of Fraternal Delegates and Guests	9
Appointment of Congress Committee	16
Appointment of Tellers	17
Report of the Central Committee	18
Discussion on the Report of the Central Committee.....	50
Second Session	
Discussion on the Report of the Central Committee (contd.)	59
Third Session	
Discussion on the Report of the Central Committee (contd.)	82
Fourth Session	
Discussion on Report of the Central Committee (concluded)	101
Reports of Auxiliary Committees	110
Resolution on the Report of the Central Committee.....	120
Amendments to the Rules of the I.C.A.	121

Fifth Session	Page
Amendments to the Rules of the I.C.A. (contd.).....	142
Amendment to Article 23 proposed by the Central Committee.....	144
Papers on "The Promotion of Co-operation in Developing Countries." "How the Work of the I.C.A. might be co-ordinated with that of the United Nations and International Bodies" by R. N. Henry, F.A.O.	150
"The Role of Governments in Developing Countries in Pro- moting Co-operation" by B. J. Surridge, Co-operative Adviser to the Colonial Office, London.....	162
"The Needs of Co-operative Organisations in Developing Regions and the Contribution the I.C.A. can make towards Them" by Dr. Mohammad Hatta, Indonesia	170
Discussion on the Papers.....	176
 Sixth Session	
Discussion on the Papers (concluded)	185
Declaration on Long-Term Technical Assistance Programme of the I.C.A.....	201
 Seventh Session	
Resolutions of Affiliated Organisations	211
Paper on "Co-operation in a Changing World—A Survey of Objectives and Methods with special reference to the Western Co-operative Movements" by Dr. Mauritz Bonow	214
Discussion on the Paper	264
 Eighth Session	
Discussion on the Paper (concluded).....	279
Resolution on the Paper by Dr. Bonow	287
Amendments to Rules Proposed by Affiliated Organisations.....	288
Resolutions of Affiliated Organisations	294
Election of Central Committee	300
I.C.A. Jubilee Triennial Prize.....	302
Date and Place of Next Congress	304
Closing Proceedings	304
 Appendices to the Report of the Central Committee	
Reports of Auxiliary Committees—	
I. International Insurance Committee.....	308
II. International Banking Committee.....	310
III. Committee of Representatives of Workers' Productive and Artisanal Societies	311
IV. International Committee on Agricultural Co-operation	313
V. International Committee on Housing	315
VI. Co-operative Wholesale Committee.....	317
VII. Committee on Retail Distribution	320
VIII. International Co-operative Petroleum Association.....	323
IX. A Summary of Technical Assistance Projects Undertaken by Affiliated Organisations	325
X. Organisations Affiliated to the I.C.A.	329
XI. Membership Subscriptions for the years 1957, 1958, 1959... ..	333
List of Speakers	335

International Co-operative Alliance

Founded 1895

President:

M. BROT.

Vice-Presidents:

M. BONOW, A. P. KLIMOV.

Members of the Executive:

CH.-H. BARBIER, M. BONOW, M. BROT, G. CERRETI, J. J. A. CHARBO, A. A. DREJER, A. P. KLIMOV, A. KORP, C. SCHUMACHER, W. SERWY, R. SOUTHERN, J. VOORHIS.

Director:

W. P. WATKINS.

General Secretary:

Miss G. F. POLLEY.

Members of the Central Committee:

Argentina	E. U. C. Martinez.
Austria	A. Korp, L. Strobl, A. Vukovich.
Belgium.....	J. Lambert, J. Papart, W. Serwy.
Bulgaria.....	P. Takov.
Canada	A. F. Laidlaw, R. S. Staples.
Ceylon	D. E. Hettiarchchi.
Czechoslovakia	A. Droppa, J. Kovac, M. Marik, Mrs. B. Machacová-Dostálová, J. Marcek, J. Nepomucky, J. Pistek, J. Podlipny, L. Smrcka, A. Zabochnik.
Denmark	J. Th. Arnfred, A. A. Drejer, E. Groes, 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	C. A. Ellenbeck, E. Hasselmann, F. Klein, H. Meins, P. Pentzien, C. Schumacher, J. Brecht.
Ghana	F. Mark-Addo.
Greece	J. Afendakis.
Great Britain	H. D. Brooks, B. T. Eccles, G. R. Douglas, F. Oakley, W. Quincey, R. Southern, T. Weir, P. M. Williams.
Holland.....	H. A. Bastiaans, J. J. A. Charbo, J. Roos.
Iceland	E. Einarsson.
India	V. C. Parashar.
Indonesia	Eddiwan.
Israel.....	J. Efer, N. Verlinsky.
Italy	O. Bardi, G. Cerreti, I. Curti, V. Grazia, G. Tolino, L. Malfettani, V. Menghi.
Japan.....	Y. Hasumi.
Malaya	Mrs. Kontik Kamariah.
Norway.....	R. Haugen.
Pakistan.....	R. Ahmed, Mahboob Hasan.
Roumania	C. Mateesco.
Sweden	C. A. Anderson, S. Apelqvist, M. Bonow, G. Etzler, H. Hjalmarson, A. Johansson, N. Thedin, S. Kypengren.
Switzerland	Ch.-H. Barbier, H. Rudin, A. Vuilleumier, H. Küng.
U.S.A.	S. Ashelman, W. J. Campbell, H. A. Cowden, G. W. Jacobson, M. D. Lincoln, B. Peterson, Mrs. R. Robison, F. F. Rondseau, 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. Romac.

The Congress Committee

President:

Mr. Marcel Brot

Vice-Presidents:

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

Members:

Central Committee: Mr. A. Vuilleumier, Mr. F. F. Rondeau,
Mr. D. E. Hettiarchchi.

Delegates: Mr. P. Søiland, Mr. W. B. Melvin, Mr. N. A. Kularajah.

Past Congresses

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

21st Congress of the International Co-operative Alliance Lausanne, October 1960

GUESTS AND FRATERNAL DELEGATES

Swiss Government:

Federal Councillor Professor Dr. Hans-Peter Tschudi

Canton of Vaud

Cantonal Councillor Charles Sollberger

City of Lausanne:

Mayor of Lausanne Georges-André Chevallaz.

Government Representatives:

India Mr. M. R. Bhide, Secretary to the Ministry of Community Development and Co-operation.
British Guiana Mr. J. Fraser, Commissioner for Co-operative Development.

Representatives of International Organisations:

United Nations:

Economic and Social Council Unicef } Mr. A. F. Ewing.
Economic Commission for Europe

International Labour Office Mr. S. N. Roy

Food and Agriculture Organisation Mr. J. E. O'Meara.

Unesco Mr. P. Lengrand.

International Federation of Agricultural Producers Mr. R. Hewlett.

European Confederation of Agriculture Mr. H. Stern.

Centre International de Recherches et d'Informations sur l'Economie Collective Professor E. Milhaud.

International Co-operative Women's Guild Mrs. C. Cook.

Personal Guests:

Mr. Väinö Tanner, Former President of the I.C.A.

Lord Rusholme, Former President of the I.C.A.

Mr. M. Colombain.

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

Argentina.

Federación Argentina de Cooperativas de
Consumo, Buenos Aires Marquez, A. D.
Martinez, E. U. C.

Austria.

“Konsumverband,” Zentralverband der
österreichischen Konsumgenossenschaften,
Vienna Karner, F.
Korp, A. ✓
Krämer, Frau. F.
Kutschera, J.
Labak, E.
Lechner, F.
Sagmeister, O.
Schmidt, F. ✓
Stecker, H. K.
Vukovich, A.

Oesterreichischer Raiffeisenverband, Vienna ... Strobl, L.
Oesterreichischer Genossenschaftsverband, Wien Rois, J.

Belgium.

Société Générale Coopérative, Brussels..... Chevalier, L.
Defise, G.
Delwarte, A.
Desmet, L.
Detrixhe-Ancion, Mme. C.
Devillers, V.
Heymann-Coulon, Mme. F.
Huysens, R.
Leclercq, M.
Lemaire, H.
Lemaire, R.
Nachez, G.
Papart, J.
Ramaekers, R.
Serwy, W.
Vandersmissen, J.
Van Rossem, V.

Fédération Nationale des Coopératives
Chrésiennes, Brussels Devogel, A.
Eerdekens, J.
Lambert, J.
Van de Walle, A.

L'Economie Populaire, Ciney..... Chaput, C.
Office des Pharmacies Coopératives de Belgique,
Brussels Vande Moortele, G.

Bulgaria.

Central Co-operative Union, Sofia..... Paunovski, D. I.
Takov, P. P. ✓

Burma.

National Co-operative Council, Rangoon Nyi Nyi
Tun Win.

Canada.

Co-operative Union of Canada, Ottawa..... Laidlaw, A. F. ✓
McMaster, R. J.
Melvin, W. B. ✓
Staples, R. S. ✓

Conseil Canadien de la Coopération, Quebec ... Bérubé, L.
Légère, M. J.

Ceylon.

Co-operative Federation of Ceylon, Colombo... Hettiarchchi, D. E.
Jayasekara, A. P. ✓

Colombia

Co-operativa Familiar de Medellin..... Uribe-Garzon, C.

Cyprus.

Co-operative Central Bank, Ltd., Nicosia..... Clerides, R.

Czechoslovakia.

Ustredni Rada Druzstev, Prague Capek, M.
Droppa, A.
Kopriva, L.
Marik, M.
Matejka, S.
Nepomucky, J. ✓
Pod'ipny, J. ✓
Sen, J.
Smrcka, L. ✓
Vojtechova, Miss J.
Zabojnik, A.
Zemek, A.

Denmark.

De samvirkende danske Andelsselskaber,
Copenhagen Aagaard, F.
Andersen, P. N.
Arnfred, J. Th.
Bo, A. ✓
Drejer, A. A. ✓
Ehholm, M.
Groes, E.
Henrichsen, J.
Johannsen, V. H.
Just, J.

Denmark.—(continued).

De samvirkende danske Andelsselskaber, Copenhagen (continued)	Metzlaff, F. Møller, K. Nielsen, C. E. Nielsen, F. Pedersen, C. Schmidt, B. Sørensen, T. Thorsen, G.
Det Kooperative Fællesforbund i Danmark, Copenhagen	Nielsen, K. Nørgaard, P. Villumsen, W. Heie, H.

Finland.

Yleinen Osuuskauppojen Liitto, r.y., Helsinki ...	Hietanen, L. ✓ Kalliokoski, V. Lahdenpää, V. Loppi, V. Mustonen, M. Simonen, S. ✓ Stadius, O. Viding, P. A.
Kulutusosuoskuntien Keskusliitto, Helsinki.....	Aro, E. Finérus, A. Halme, K. Heinimo, P. Hulkkonen, A. Jalava, J. Laakso, J. Lahtinen, Mrs. A. Larni, M. Manninen, H. Niskanen, H. Peitsalo, K. Räikkönen, Mrs. S. Roine, Miss R. Salmenoja, P. Salminen, B. J. Tainio, T. Takki, U.

France.

Fédération Nationale des Coopératives de Consommation, Paris	Agard, D. Angsthelm, E. Ardhuin, J. Aymard, A. Baert, P. Beaujon, J. Bergogne, J. Berktold, C. Bodot, H. Bouilly, G.
---	---

France—(continued).

Fédération Nationale des Coopératives de Consommation, Paris (continued)	Boure, G. Bricout, E. Bricout, R. Brissaud, A. Brot, M. ✓ Burette, F. Catelas, M. Chomel, Ciosi, G. Colin, L. Condery, L. Couvrecelle, M. Decloquement, A. Degond, M. Delattre, J. Delhay, E. Deschamps, R. Dossmann, J. Dumont, P. Dutilleul, L. Duvivier, G. Garaude, H. Gascon, E. Gastal, M. Gaussel, G. Gery, R. Heitz, G. Kerinec, R. Lacroix, J. Langurd, M. Leclercq, R. L'Hôte, J. Ligot, J. Machut, F. Meyer, J. Morand, A. Morot, L. Orsini, R. Penichoux, R. Ponard, E. Rousseau, G. Schermesser, Saliceti, A. Sery, M. Seve, J. Tarlle, R. Vaillot, Veverka, C.
Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris	Antoni, A. Charial, A.
Fédération Nationale de la Coopération Agricole, Paris	Rives, E. Thomas, E.-H.
Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Paris.....	Archaimbault, Mlle. Robert, L.

France—(continued).

Banque Coopérative des Sociétés Ouvrières de Production de France, Paris	Harasse, N. Heymann, N.
Confédération des Organismes de Crédit Maritime Mutuel, Paris	Lacour, P.
Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Con- struction, Paris	Mortegoutte, A. Richard, R.

Germany.

Zentralverband deutscher Konsumgenossen- schaften, Hamburg	Backeberg, H. Bergen, H. Büschelberger, O. Dowidat, K. Ellenbeck, C. A. Erlenbusch, W. Finkensiep, R. Fischer, H. Flügge, W. Franck, J. Görshop, E. Grulich, Frau. H. Gründer, Frau. M. Hasselmann, E. ✓ Kern, H. Klein, F. Laubach, H. Meins, H. Meyer, A. Nobel, E. Oldewurtel, G. Paulig, O. Petsch, K. Pfeilschifter, K. Philipp, M. Postelt, W. Potthoff, E. Reichard, W. Riedl, Frau. E. Schlobohm, W. Schumacher, C. ✓ Sommer, M. Spinn, Frau. E. Stoye, C. Tackenberg, A. Wiederkehr, C. Wiefel, E. Wiehem, H. Wissmeyer, R. Zimmermann, E. ✓
Gesamtverband gemeinnütziger Wohnungs- unternehmen, Cologne.....	Brecht, J. Riebandt, F. A. C.

Great Britain.

Co-operative Union	Bailey, J. ✓ Brooks, H. D. Douglas, G. R. Flanagan, D. ✓ Hilditch, C. C. Hulse, K. James, H. Oakley, F. Southern, R. ✓ Sugar, A. L. Weir, T. Williams, P. M.
Societies—	
Armadale	McCallum, A.
Ashington Industrial	Jameson, Mrs. L.
Belfast.....	Maynes, Mrs. M. McKeown, Mrs. F.
Birkenhead and District	Hodgson, C. W. Hughes, J. Melville, Mrs. D. M. Melville, R. N.
Birmingham	Barlow, Mrs. L. M. Chambers, J. W. Crees, Mrs. M. E. Ravenhill, E. J. H.
Blackpool	Geddes, C. Kitchin, Mrs. E.
Blantyre	Murray, Mrs. A.
Brightside and Carbrook.....	Colbert, C. W.
Bristol.....	Cavender, L. Cordy, J. H. Heard, Mrs. L. M. Stephen, Miss J.
Burnbank	Woods, Mrs. A.
Bury District.....	Kirkman, Mrs. A.
Cambridge and District	Betteridge, U. H. Moore, E. F.
Chesham, Wycombe and Tring	Darby, R. E.
Clydebank	Allan, H. Barnett, J. Greer, Mrs. J.
Darlington	Whitehead, A. A.
Derby.....	Cumberland, R. S. Russell, Mrs. G.
East Midlands Housing Association.....	Elderfield, P.
Eccles and District	Benson, R. McLean, J. C. Urwin, G. T.
Enfield Highway	Camp, D. N. Cusack, J. J.
Folkestone	Offer, Mrs. E. Offer, L.
Gateshead	Pearson, Mrs. R.
Glasgow—Scottish Co-operative Wholesale.....	Douglas, J. Steel, H. M. Taylor, R. Taylor, T. Thomson, R. S.

Great Britain—(continued).

Glasgow United Co-operative Baking	Conway, J. Coyle, Mrs. C. Harvey, H. W. Harvey, Mrs. H. W. Johnstone, M. Lang, L.
„ Eastern.....	Jackson, Mrs. J.
„ South	Clark, Mrs. G. Smith, Mrs. A.
Greenfield	Hobson, Mrs. M. A. Hobson, W. G.
Greenock	Johnstone, Mrs. C. Paterson, W. L. Smith, A. A.
Hull.....	Barnes, A. Kirk, W. H.
Kilmarnock Equitable	Riddeux, A.
Kirkaldy and District	Davidson, Mrs. M.
Lanark Provident	Oakes, A. W.
Leicester.....	Flude, F. L. Leeson, J. R. Lynn, A. E. Strickson, A.
Leith Provident	Crawford, H. Dawson, S. D. J. Petrie, W.
Lennoxton	McKenzie, Mrs. M. S.
Lincoln	Dixon, Mrs. D. M. Leggate, Mrs. E.
Lockhurst Lane	Marshall, Mrs. I.
London	Clayden, H. J. Cox, Mrs. E. Davis, Mrs. L. F. M. McGrath, J. C. Richardson, T. W. Tracey, J.
„ Royal Arsenal	Brown, Mrs. C. G. Mason, R. I. Prior, A. L. Spencer, W. S. Spencer, Mrs. E. C.
„ South Suburban	Brett, Mrs. L. Burbage, L. V. Crimp, Mrs. M. E. Knight, F. R.
„ Co-operative Permanent Building	Ashworth, H. Cessford, E. P. Clark, J. B. Sheppard, R. J. Simpson, J. H.
„ Data Film Productions	Hermelin, R.
„ Women's Co-operative Guild	Owen, Mrs. K. Ridealgh, Mrs. M.
Manchester—Co-operative Wholesale	Cooke, L. Eccles, B. T. Quincey, W. Wood, N. ✓

Great Britain—(continued).

Manchester—Co-operative Insurance	Dinnage, R. Tattersall, N.
„ Co-operative Press	Friend, J. J. Jackson, A. McCutcheon, R.
Manchester and Salford	Lane, A. Lyon, A. Yarwood, Mrs. E. A.
Middlesbrough	Haston, Mrs. R. M. May, H.
Newcastle-upon-Tyne	Moffett, J.
Nottingham	Dale, H. Forsyth, C. T. Painter, J.
Nuneaton	Hewitt, Mrs. C. Jacques, O.
Peterborough and District	Arlow, Mrs. E. A. L. Jarvis, Miss B. E. A.
Plymouth	Flett, Mrs. I. M.
Port Glasgow United	Bargh, Mrs. N.
Portsea Island Mutual.....	Palmer, F. J.
Prestwick	Mather, Mrs. E. L. M.
Ripley	Bramley, Mrs. N.
Rushden.....	Bailey, H. Griffiths, R. R.
St. Cuthbert's	Moffat, J. Robertson, H. R. Robertson, Mrs. H. R.
St. Helens	Barlow, Mrs. R.
Salisbury	Mould, Mrs. B. M.
Scunthorpe.....	Coulthard, Mrs. F. Coulthard, R. L.
Sheffield and Ecclesall.....	Rawson, H. Robinson, W. H. Winson, G. H.
Stockport	Bradley, Mrs. G. Warriner, H.
Stockton.....	Black, Mrs. S. Walters, Mrs. R.
Taibach and Port Talbot	Davis, T. Quick, Mrs. M.
Ten Acres and Stirchley	Pilling, R. G. White, Mrs. W.
Thornliebank.....	Lonsdale, Mrs. M.
Walsall Locks and Cart Gear	Gwinnett, T.
Walsall and District.....	Collins, A. J. Evison, A. Harrington, Mrs. D. Hemmings, Mrs. B. E.
Warrington.....	Waring, Mrs. E.
Watford and Harrow	Stafford, E.
West Calder	Forman, Mrs. B.
Whaley Bridge and Buxton	Jackson, Mrs. M. E.
Worcester	Lettice, Mrs. H. M.

Greece.

Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), Athens Afendakis, J.
Andoniades, S

Holland.

Co-op Nederland, Rotterdam Bastiaans, H. A.
Charbo, J. J. A.
Netten, J. F. van.
Nijhof, G. J.
Rest, W. Hizer-v.d.
Roos, J.
Roos, Mrs. J.-Ouwkerk

Iceland.

Samband Isl. Samvinnufélag, Reykjavik Einarsson, E.
Frimannsson, J.

India.

All India Co-operative Union, New Delhi Ansari, A. Q.
Parashar, V. C.

Indonesia.

Dewan Koperasi Indonesia, Djakarta..... Eddiwan
Subijakto, Dr.

Iran.

Army Consumers' Co-operative Society, Teheran Taleb-Begui, F.

Israel.

Hevrat Ovdim, Tel-Aviv Repetor,
Efter, J.
Linn,
Moscowitz, Mrs.
Verlinsky, N.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv Graziani, H.

Italy.

Lega Nazionale delle Cooperative et Mutue, Rome Baglini, Miss. I.
Banchelli, C.
Banchieri, G.
Bardi, O.
Baroncini, P.
Bellucci, R.
Bocchi, F.
Bonafini, U.
Briganti, W.
Brunati, B.
Camerlenghi, C.

Italy—(continued).

Lega Nazionale delle Cooperative et Mutue,
Rome (continued).....

Carnesecchi, F.
Catellani, E.
Cerreti, G. ✓
Cerrina, Mlle. N.
Cesari, M.
Ciocca, R.
Cova, V.
Crisanti, Mme. L.
Curti, I.
Di Marco, F.
Ferro, M.
Fontana, Mlle. M.
Fornasari, Franco
Gacta, O.
Gervasio, G.
Getici, S.
Grazia, V.
Grazzini, M.
Guidi, E.
Lupi, M.
Magnani, A.
Matarese, G.
Mazzavillani, T.
Mazzoli, E.
Negroni, M.
Olmimi, C.
Ottani, A.
Pasquali, L.
Raggio, A.
Rossi, S.
Rossi, V.
Salsi, A.
Salvarani, O.
Santorelli, A.
Scarsini, G.
Tioli, F.
Tolino, G.
Tornambe, V.
Tozzi, G.
Venturini, Mlle. C.

Confederazione Cooperativa Italiana, Rome.....

Barbareschi, R.
Baruffaldi, T.
Battioni, R.
Conte, S.
Compiani, G.
Del Vicario, D.
Di Carpegna, Mlle. G.
Ferrari, G.
Galliani, A.
Gulino, P.
Malfettani, L. ✓
Martis, G.
Mayr, A.
Menghi, V.
Mondini, E.
Pantano, Mlle. F.
Parisi, G.
Parisi, Mlle. M. G.
Santoro, V.
Valenza, V.
Vecchia, D. D.

Japan.

Zenkoku NogyoKyodokumiai Chuokai, Tokyo...	Ichiraku, T. Kobayashi, S.
Nippon Seikatsu Kyodokumiai Rengokai, Tokyo	Nakabayashi, S. ✓ Wakui, Y.
Zenkoku Gyogyo Kyodokumiai, Tokyo	Katayanagi, S.

Malaya.

Co-operative Union of Malaya, Kuala Lumpur...	Yahaya bin Mohamad Sani Lee Ab Leng
Federation of Co-operative Housing Societies, Kuala Lumpur	Nayar, M. I.

Nigeria.

Co-operative Union of Western Nigeria, Ibadan	Latunde, E. T. John, M. O.
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Norway.

Norges Kooperative Landsforening, Oslo	Berge, T. Fjaestad, K. Flaa, H. Haugen, R. Holden, K. Hovind, C. O. Medby, A. P. Petersen, K. Ovesen, Miss L. Skjerstad, O. Søiland, P. ✓
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Pakistan.

West Pakistan Co-operative Union, Lahore	Ahmed, R. ✓
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Roumania.

Centrocoop,	Mateesco, C. Tatu. Horia.
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Singapore.

Singapore Co-operative Union, Singapore	Kularajah, N. A
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Sweden.

Kooperativa Förbundet, Stockholm	Ahlberg, Mrs. S. Ames, J. Anderson, C. A. Andersson, G. E. Andersson, R. Apelqvist, S. Back, K. Björkman, E. Blomberg, N. W. Bonow, M. ✓ Carlsson, A. Dahlander, G. Ekman, G. Elldin, H. ✓
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Sweden—(continued).

Kooperativa Förbundet, Stockholm (continued)	Eronn, L. Fransson, T. Friberg, K. A. Granlund, F. Gustavsson, S. Gruveman, K. Jansson, C. E. Johansson, A. ✓ Jonsson, J. E. Kéler, G. Linderot, H. Lindakog, C. Lundberg, B. Moback, O. Nordqvist, Mrs. C. Odhe, T. ✓ Sohlenius, H. Stolpe, H. Thedin, N. ✓ Tronét, B. Wedholm, H. Widhe, Mrs. E.
HSB:s Riksförbund, Stockholm	Johnsson, A. Kypengren, S.
Svenska Riksbyggen, Stockholm	Blomqvist, G. Olsson, I.
Kooperativa Kvinnogillesförbundet, Stockholm	Ahlberg, Mrs. S.

Switzerland.

Verband schweiz. Konsumvereine, Basle.....	Althaus, H. Barbier, Ch.-H. ✓ Boven, P. Debrunner, E. Descocudres, E. Dietiker, H. Dietlin, P. Fasnacht, F. Giger, P. Gnaedinger, W. Grogg, W. Herzog, E. Kehl, W. Küng, H. Marti, F. Matter, E. Münch, Frau R. Pahud, J. Pauli, Frau C. Rudin, H. Scholer, W. Schopfer, R. Thuli, H. Vuilleumier, A. Wipf, R. Ziegler, Frau G. Zopfi, Frau A. Zysset, F.
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U.S.A.

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

Anderson, D.
Ashelman, S.
Beall, C.
Boden, S. F.
Bull, J. R.
Campbell, W. J. ✓
Culbreth, H. ✓
Dankers, W. ✓
Doss, B.
Dunlap, G.
Grady, P.
Heckathorn, D.
Ihlenfeldt, B. F.
Kyle, J. K. ✓
Lewis, J.
Long, R.
Mannila, E.
McClintock, J. B.
McCarter, A. T.
Metzler, H.
Miller, M. ✓
Probasco, K.
Rondeau, F. F.
Ronn, Mrs. V.
Sandbach, W.
Scarff, M.
Scull, D.
Shaulis, E. M.
Smaby, A. J. ✓
Valko, I.
Varian, R. H.
Voorhis, J. ✓
Walther, H.
Weagly, R. C. F.
West, J.
Woodcock, I. ✓

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

Cowden, H. A. ✓
Welty, G. K.

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

Abramenko, N. P.
Babaev, A.-A. G.
Budakhin, V. N.
Fedorovich, V. A.
Fomin, A. P.
Galakhova, Mrs. E. A.
Galkin, A. I.
Isakova, Mrs. G. K.
Kabanov, P. A. ✓
Kelareva, Mrs. E. A.

U.S.S.R—(continued).

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

Klimov, A. P. ✓
Kondratov, V. P.
Korotnyan, V. S.
Miroshnichenko, B. P.
Murauskas, P. S.
Musaev, F.
Navoyan, V. A.
Omelchenko, Mrs. L. M.
Papkova, Miss V. G.
Popov, P. V.
Pudina, Miss K. V.
Sai, N. P.
Shiryaev, N. K.
Sivolobov, A. M.
Timofeev, D. S.
Tsagareishvili, P. K.
Utkin, M. G.
Vasyukhina, Mrs. E. P.
Yunusov, K. Y.
Zagulina, Mrs. V. S.

Yugoslavia.

Glavni Zadruzni Savez FNRJ, Belgrade..... Bajalica, D.
Janjió, V.

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

FIRST SESSION

Monday, 10th October, 1960

The Opening of Congress

Six hundred and forty delegates from 35 countries, and a large company of visitors and observers, attended the opening of the 21st Congress of the International Co-operative Alliance in the Salle des Fêtes, Beaulieu Palace, Lausanne, on the morning of 10th October. The Salle presented a gay scene with the flags of the nations and the rainbow colours bedecking the walls and the colourful costumes of Africa and Asia prominent among the delegates. To fanfares of trumpets, the Alliance's President, Mr. Marcel Brot (France), representatives of the Swiss Government, distinguished visitors and guests assembled on the platform. After the last fanfare, Mr. Brot rose to greet the delegates.

The President: Ladies and gentlemen, dear co-operators and friends, the 21st Congress of the International Co-operative Alliance is now open and I call on the representative of the Swiss Federal Council who has honoured us by his presence.

Welcome on behalf of the Swiss Government.

Bundesrat Hans Peter Tschudi: I am delighted to be present, and very happy to bring you the greetings of the Swiss Government for your Congress. I take this opportunity to thank the Swiss Co-operative Union for all the efforts which they have made and for the work which they have accomplished, for their efforts to lower the price of goods and to reduce the cost of living. If the cost of living in Switzerland is not so high as it might well be, that is certainly due in part to the activity of co-operatives. Co-operatives have always defended the interests

of consumers, and of agricultural producers, too. If we in Switzerland have been able to maintain reasonable prices and conditions, it is due in part to your movement. All the activities of the Co-operative Union are extremely important in our country, and I wish to congratulate the Swiss Co-operative Movement on its activity, and for the help which it is giving to developing countries. We must co-operate with all those in the world who are pursuing the same aims. The aid offered by our Swiss Co-operative Movement to the Co-operative Movement in Dahomey is only one of the activities of this type carried on by Swiss co-operators. We also wish to congratulate the agricultural co-operatives of Switzerland on their activities.

At the present time many international congresses are held, but very often so many controversies take place in these congresses that no practical results are obtained, and the public have begun to feel a certain scepticism about their utility. I am convinced that in your case, however, the discussions which you will have and the exchange of information on your activities which will take place will enable you to promote still more the progress of the Co-operative Movement and diminish the danger of tension and cold war. Switzerland contributes as much as it can to easing international tension. The I.C.A. can, in this respect, accomplish a very useful task, because your Alliance has representatives from all parts of the world and of all political persuasions. I am certain that co-operation amongst your organisations will permit your whole movement to discuss and solve your problems objectively, without passion and for the good of all. I hope that this Congress of yours which is taking place in our country will contribute to the improvement of international relations.

This is the third time your Congress has met in Switzerland, and I am glad to see that you feel at home in our country. This is perhaps because the co-operative idea is very strongly embedded in the Swiss mentality. In visiting Switzerland you will see that our country has everywhere applied the concept of Co-operation; that is evident even in our motto, which is "One for all and all for one." Even in our motto, indeed, we have included the idea of Co-operation. Our co-operative enterprises represent a great part of the activities of our country. The birth of Switzerland was in fact "a co-operative union," a union for co-operation on the part of three small cantons. The co-operative movements of our country were launched subsequent to the initiative taken by the Rochdale Pioneers, when a few weavers created the first co-operative society. Since then the idea has spread all over the world, and nowadays it is a tradition. History shows how deeply the co-operative idea is embedded in the Swiss mind. Switzerland is perhaps the country which has the greatest variety of co-operatives. Statistics show the great number of co-operative societies which exist in Switzerland and indicate that almost the whole of the population is directly or indirectly concerned with Co-operation.

Take, for instance, our farmer co-operatives. Our farmers could hardly exist without their help. We have a bad climate and a mountainous land, so that a private farmer would find himself almost unable to exist these days without Co-operation and self-help, which enable him to earn a living on poor land. This is a practical application of our Swiss principle of direct democracy. You will be aware of the fact that in certain parts of Switzerland we have an assembly of the people, who vote and elect their own magistrates by show of hands. In most cantons today, of course, people vote by secret ballot and cannot possibly all be convened to meet in the public square, but the democratic principle is still applied. You will have

noticed that in Switzerland no tax can be introduced without the approval of the population, and this again is a kind of direct democracy. In co-operatives the same principles apply and nothing can be done without the approval of the members. In an authoritarian country it is the State that decides, but in our country, schools and cultural institutions, and so on, divide their activities on a local, regional, or cantonal basis, separately and independently of the central authority; in fact, in the whole country it is in the communes and not the central government that in most fields authority resides. Here again, we see the same principle in the co-operatives in other countries.

One of the themes of your discussions will be to improve and develop the Co-operative Movement in newly-developing countries. We fully agree with this aim and we fully understand the need to grant aid to countries which are newly developed or in course of development and which have become independent recently. We are willing to make our contribution to these countries. It is certain that the provision of technical assistance will permit these countries to develop more rapidly, but we must still not forget the principle of self-help. We cannot *impose* upon these countries new developments or our own system or rules. Co-operation cannot be spread in this way. We must not think that everything we do is better than what is done elsewhere; we must think first of all of solidarity and mutual respect, the mutual respect of man for man in different parts of the world.

The co-operative idea cannot be imposed on developing countries wholly from outside. The idea of co-operation exists in all people and has existed for thousands of years in most parts of the world. What is in question is only the various forms of application of the idea. We are extremely interested in the development of the newly-independent countries. If we examine the possibilities of developing these countries, we see that we must do all we can on the basis of the co-operative idea; but we must not forget that even in Europe there are many under-developed regions. I am convinced that the integration of Europe would be far easier and more rapid if we could develop the under-developed regions of our Continent.

I now want to say a word about the Common Market and the Free Trade Area, the "Six" and the "Seven." Here again we find the same idea of co-operation amongst nations and here again we find the principle not of authority imposed from outside, but of co-operation. The foreign policy of Switzerland would tend to be against the division of Europe into two economic blocks, and we should like to see a united Europe, not of six or seven or even thirteen countries, but of all the European countries, a Europe based upon co-operative principles.

I shall close simply by reminding you that Switzerland has been, and is always, closely linked with the co-operative idea and principles and that it is only by applying Co-operation that we can solve the problems of humanity. This is why we shall follow very closely the work which you are doing, and we hope that the beauty of Switzerland and of Lausanne in particular will help you to make your Congress a success.

The President: Thank you. You have understood perfectly the sense of our action and of our meeting.

We are now to hear the Mayor of the City of Lausanne.

Syndic Chevallaz, speaking on behalf of the Canton of Vaud and of the City of Lausanne: One of the main features of Switzerland is the diversity of its cantons and towns—diversity of language, of religion, of history and of economic

activities. But Switzerland, although a country of great diversity, is also one in which peaceful co-existence and above all collaboration and co-operation are to be found. One town may be proud of a flamboyant past, when its banner crossed the Alps, was hoisted on the battlefields of Europe and flown from the towers of conquered lords; another perhaps is of outstanding industrial importance—it may be the centre of the watchmaking, mechanical or chemical industries; finally, another—for a long time the Rome of the Calvinists—is the European centre of international organisations. It is more difficult to sum up the character of Lausanne and the canton of Vaud, where French is the spoken language and Protestantism is the religious faith. Its history does not abound in feats of arms and glorious conquests; the inhabitants of Vaud were more often subjects than masters. But at least its history protects it from the temptations of pride and the pursuit of power. It only serves to strengthen its love of freedom. In the last generation schools and industries, such as the tourist industry, have been developed in Vaud where for a long time the main occupations were solely agricultural. For all that, the Vaudois have not lost the characteristics associated with people in contact with the land—prudence, a certain reserve and serenity of outlook. Added to that is the pleasure taken in receiving guests—that of the wine-grower who wishes you to taste his wine—the pleasure taken in exchanging ideas and seeing how far one can agree with other people. That is why we are particularly pleased to receive the members of a Congress such as yours, which allows us to meet people from other countries. We are in a world which is continually shrinking. Travel at supersonic speeds brings people nearer together, and television and wireless also bring us nearer together, but are we ready to understand one another more quickly and easily than in the past? I do not know. We are still separated, one from the other, by various threats, such as that of atomic conflict, and it is only fraternity that can make us feel closer together. The diversity of your delegations will probably entail differing opinions on the structures to be adopted and on the liberal policies to be followed. But above these divergences and legal differences if I may so describe them, I am certain that your Congress will increase faith in the future. In order to be able to fight successfully against the forces of destruction in the world today we must fight obstinately and develop co-operation between us. This is also the task of your Congress. I can assure you that Lausanne and the canton of Vaud will help you in your task. All the people of Lausanne and of the whole canton wish your Congress great success.

The President: Thank you, Mr. Mayor. You have emphasised the atmosphere of our world today, the anxiety of our time, and you are perfectly right to suggest that in the canton of Vaud we shall find an atmosphere of sympathy. We have had proof of this ever since our arrival.

I now call on the representative of the Swiss Co-operative Union, Mr. Herzog. He knows how much we admire the Swiss Co-operative Union not only for its material achievements but especially for its very large educational efforts and for the generosity with which it contributes to so many valuable activities.

Mr. E. Herzog, V.S.K., Switzerland: It is a very great pleasure for me to give you the greetings of the Swiss Co-operative Union, of our administrative body, and of the directorate of our organisation. We welcome you to Lausanne and to our country.

I should like, first of all, to thank Federal Councillor Tschudi for coming here today and giving us the greetings of the Federal Council, and I should also like to

thank the representatives of the canton of Vaud and of the town of Lausanne, Mr. Sollberger and Mr. Chevallaz, and I offer them a most cordial welcome to our Congress. We hope that materially we have been able to prepare for the Congress in a satisfactory way and that all the international representatives present here will find themselves at home in our country and will return home having enjoyed their stay in Switzerland.

You all know that this is going to be a working Congress. There will be a great many problems to be discussed and solved. The last Congress, at Stockholm, decided on certain measures which must now be implemented, and I should like to emphasise what Bundesrat Tschudi said, that the Swiss Co-operative Union is now prepared to carry out a large-scale programme in favour of co-operatives in Dahomey, in Africa. We have decided to patronise this activity, and we hope that this work will be sustained and supported by all our members.

You have two very important questions on your Agenda. One is the development of the Co-operative Movement in the newly-developing countries, and the other is the question of Co-operation in a changing world. We shall do our best to be co-operative in these tasks and to co-ordinate our work for the newly-developing countries with the work done by the Alliance and by other national organisations.

It is a very great pleasure for us to greet all the representatives present here. It is a rare opportunity and probably it will be many years before we again see a Congress of the I.C.A. in our country. The first Congress to be held by the Alliance after the First World War took place in Switzerland, at Basle, and the Conference of 1946 was held at Zurich, and was the first Congress following the Second World War. These two Congresses, the one at Basle and the other at Zurich, took place at a time when the reconstruction of the European co-operative movement, badly afflicted by the war and in some countries by events which had preceded the war, had to be undertaken. We can note with pleasure that in all the countries where before and during the last war the Co-operative Movement had been destroyed or had had to diminish its activities, it can now develop freely, even more than ever before. We hope that never again shall we have to meet after a world war, but that from now on we can live in a world of peace and of Co-operation.

Among the documents which we have prepared for you and have distributed, are some giving information about our country and about the Swiss Co-operative Movement and the role of Co-operation in Switzerland generally. It will be seen that Switzerland has 555 co-operatives with 700,000 members, and that the turnover of V.S.K. amounted to approximately 70 million Swiss francs in 1959. We have introduced a great number of self-service shops. I shall not worry you with figures, but you will appreciate the importance of the Co-operative Movement in Switzerland. All the relevant information is given in the documents which have been distributed.

The Swiss Co-operative Movement has, of course, many problems to solve. We must follow the developments of economic life and we must constantly review our own organisation. The economy is constantly developing. Co-operation in a changing world is something that we must study together. The consumers' co-operatives of Switzerland are not the only ones which exist in our country; we have a great number of agricultural co-operatives and of productive co-operatives which are united in the Federation of Agricultural Co-operatives of Eastern Switzerland and one other Union. All these organisations together wish your Congress the greatest success and are convinced that your deliberations will take into account all the aspects of co-operative life.

Without freedom there can be no Co-operation, there can be no friendship, and there can be no peace among the peoples of the world. Co-operation is the most democratic form of life. It is dependent on freedom—and without freedom no real co-operative action as we know it can exist. Once again I wish great success to your Congress.

Inaugural Address of the President of the I.C.A., Mr. Marcel Brot.

Fellow Co-operators: As we open our 21st International Co-operative Congress here at Lausanne, our thoughts go back to the year 1946 when the Alliance was welcomed to Zurich by our friends of the Swiss Co-operative Union.

The whole world had just emerged from nearly five years of violence, terror and bloodshed and Co-operators had borne no little part of the destruction and suffering inflicted on their respective countries.

In the early months of the War the Alliance had lost its pilot, Henry May, with all his idealism and courage.

The torch was held aloft throughout these tragic years by Lord Rusholme and Miss Polley with the support of the British Organisations.

At Zurich, in the atmosphere engendered by the warm hospitality of our Swiss friends, Co-operators long separated by the raging conflict, were re-united and clasped hands for the first time in a great surge of fraternal emotion.

In that Congress the Movements of only 19 countries were represented. Today, we may rejoice because the I.C.A. now unites 48 Co-operative Movements which in 48 nations embrace nearly 147 million members.

New affiliations since the Stockholm Congress accentuate the evolution of our International Organisation, first by the representation of a greater variety of Societies, as in Belgium, France and Israel; secondly the character of the Alliance as a World Organisation is emphasised by the representation of Burma, Chile, Cyprus, Indonesia, Iran, Jordan, Western Nigeria and Malaya. These new affiliations constitute a remarkable event, and we are particularly happy to have delegates from these countries here with us for the first time.

The Report of the Central Committee submitted to this Congress reflects the great and increasing activity of the Alliance in every field, whether it is its relations with the National Movements, the investigation of questions dealt with by the Executive and Central Committees, the animation of the Auxiliary Committees, economic research, special conferences and the International Co-operative School, or relations with other International Organisations.

All this activity demands a considerable volume of work on the part of the Director and General Secretary, the heads of sections and the staff of the Alliance, and I feel bound to pay a special tribute to Mr. Watkins and Miss Polley, for both have carried out their tasks under difficult conditions with too small a staff for an Organisation which must grapple with such huge problems over a continually extending field of action.

It is quite evident that we must without further delay strengthen the means of action of the Alliance by increasing its financial resources in the manner the Congress will be asked to approve.

Among the activities which must be expanded is the work of the Auxiliary Committees.

It is through them that the Alliance carries on the study of concrete problems, by bringing together at international level the specialists who are at grips with everyday realities in their societies.

But these studies would lose all their value if the Auxiliary Committees should forget that the most efficient technique must conform to the requirements of essential Co-operative principles.

That is the reason why their work must be carried on in close collaboration with the Authorities of the Alliance.

Since the Congress at Stockholm the most important event in the life of the Alliance was the Conference at Kuala Lumpur.

This Conference marked the beginning of the establishment by the Alliance of Regional Offices in different parts of the world and, notwithstanding considerable practical difficulties, the Regional Office for South-East Asia has already been organised for the establishment and maintenance of permanent relations between the Co-operative Movements of this vast region.

From now onward it will provide support for other forms of educational and practical action, advancing on parallel lines.

In recent years the quickening process of emancipation from colonial rule has confronted new Governments with problems of extreme gravity which they must speedily solve if they do not wish economic and social collapse to be the price of their political independence.

The technical assistance which is offered to them is too often an instrument by which this or that Great Power can implant its own political influence.

Because of the extent and the urgency of the need, there is a strong temptation to accept such offers at the risk of exchanging one form of domination for another.

That is why our Alliance, independently of political influence, must constantly co-ordinate its efforts with those of the Organisations responsible for bringing to the nations in the course of development the disinterested help of the United Nations.

The Alliance must be particularly watchful to ensure that governmental initiatives have as their aim to prepare Co-operative Organisations for their responsibility to assume, at the earliest possible moment, the independent administration of their affairs in an efficient and democratic manner.

The three Papers submitted to this Congress will enable us to lay down the practical methods through which the action of the Alliance will realise its full possibilities.

By raising their standards of living by their own efforts the young nations will at the same time preserve their independence and the dignity of their citizens.

At the very moment of this great wave of emancipation amongst peoples who aspire to greater material well-being, to security and to culture, technical methods are experiencing an accelerated evolution.

The Co-operative Movement, which every day is subjected to the inexorable demands of reality, has the duty to investigate whether its structures and methods conform to the conditions of a changing world.

In his excellent paper Dr. Bonow analyses the problem in all its aspects and more than one of his conclusions will give rise to fruitful discussion.

Terminating his broad analysis Dr. Bonow has drawn up a programme of action which is capable of realisation if our National Movements recognise its necessity and tackle it with courage.

Technical concentration demands financial concentration.

Within the framework of regional economic communities co-operative agreements are being concluded.

This evolution call for vigilant attention on the part of the Co-operative Organisations belonging to the European Community of the "Six," as well as those of the Free Trade Zone, which have fortunately decided to act in unison.

Co-operative evolution likewise demands the formation of larger economic units and the last question raised in Dr. Bonow's paper is indeed for us the most important.

Is democracy compatible with economic efficiency? In other words, must technical evolution imply the contradiction of the principles which we proclaim?

Allow me, before the discussion of this great question commences, to express my profound conviction that democracy, far from being a weakness, can on the contrary be a source of efficiency.

Not only does democracy invest management with a greater authority because of the agreement of the Co-operators but the members, in their turn, contribute to efficiency by passing judgment on the service ultimately rendered.

My conviction is based, not on any ideological belief, but on co-operative experience.

If the practical rules which we proclaim have retained their permanent value in the course of a century or more of economic evolution, it is simply because they are the practical interpretation of the highest moral values recognised by mankind, namely, Liberty, Equality and Justice.

It is these same principles which have inspired and guided the action of our Co-operative Organisations within their own countries, not only to ensure their own development but also to exert a legitimate influence on the economic and social evolution of the nation.

It is also the mission of the Alliance to impart the Co-operative spirit and Co-operative experience to other International Organisations.

If the political role of the United Nations lies outside our field, if our influence in the Economic and Social Council is not such as we desire, we can rejoice at the collaboration of the Alliance with the I.L.O., F.A.O., and UNESCO and with other Specialised Agencies. This collaboration is especially necessary to co-ordinate the action which is pursued on parallel lines in the field of technical assistance to the developing countries.

If the issue of Peace is at stake in political debates, it is through the patient and ordered labour of these great Institutions that it will be established.

As we assemble here today, the international political atmosphere is disturbed, as it was at the time of the Zurich Congress.

It was with bitter disappointment that the President of Congress, Lord Rusholme, then stated that fourteen months after the end of the War the atmosphere of suspicion and lack of faith divided those whose duty it was to find the foundation of peace.

Since then we have passed through many political crises without serious consequences for the Alliance. The sudden reversals of the situation in this field teach us not to be too greatly influenced by the events of the moment.

We are building for the future and it is by lifting our eyes higher and by looking farther ahead that the Co-operative Movement will retain its unclouded judgment in moments of acute crisis.

The evolution of the peoples and the growth of populations make clear to everyone that mankind is inter-dependent and that the poverty of some nations can imperil the well-being and wealth of others.

Only the divisions which exist between the great nations hold back the declaration of war upon hunger which is so urgently needed.

Nevertheless it is by joining forces in a great effort for their common salvation that the nations can rise above this suspicious co-existence and its conflicts, which perpetuate the sense of insecurity while increasing the crushing burden of armaments.

This Co-operation of the peoples must be inspired by the same generous principles which animate the millions of Co-operators all over the world who are united in the Alliance.

In endeavouring in this Congress to realise what is our duty in a changing world, we are conscious that we are making an act of faith by bringing our contribution to the Peace which we all desire: Peace for the humblest of men and the smallest of nations; Peace with Freedom.

Reception of Fraternal Delegates and Guests.

The General Secretary: I have to convey to you the names of the guests of the Congress, the representative of international organisations and Governments who are here on the platform this morning. They come from international organisations with which, as you know, the International Co-operative Alliance has very close collaboration. We have present Mr. Ewing, representing the Economic and Social Council, UNICEF, and the Economic Commission for Europe; Mr. Roy, representing the International Labour Office; Mr. O'Meara, representing the Food and Agriculture Organisation; and Mr. Lengrand, representing UNESCO. We have Mr. Hewlett, the representative of the International Federation of Agricultural Producers. Mr. Stern is representing the European Confederation of Agriculture. Mr. Pedersen represents the O.E.E.C., and Professor Milhaud, who

needs no introduction to a Congress of the Alliance, is here to represent the International Centre of Research and Information on Collective Economy. Mrs. Cook and Miss Piila represent the International Co-operative Women's Guild. Also, we have present Mr. Bhide, of the Ministry of Community Development and Co-operation of the Government of India; Mr. Fraser, the Commissioner for Co-operative Development of British Guiana and Mr. Chaves, of the Organisation of American States. As special guests of Congress we have two former Presidents one is Mr. Väinö Tanner, of Finland. It may be of interest to the delegates here to know that it is just 50 years since Mr. Tanner attended his first I.C.A. Congress at Hamburg in 1910. I do not think that anyone else can compete with that record! (Applause.) The other former President, who needs no introduction, is Lord Rusholme. (Applause.) Yet another guest is Mr. Maurice Colombain, a very old friend of, and active collaborator with, the I.C.A. and national movements.

Also on the platform we have some gentlemen from whom you will be hearing later in the Congress, namely Dr. Mohammad Hatta of Indonesia, Mr. SurrIDGE, Adviser on Co-operation to the British Colonial Office, and Mr. Henry of the Food and Agriculture Organisation, who will be the rapporteurs on the great problem of the promotion of Co-operation in the developing countries. Also on the platform are the members of the Congress Reception Committee, whose names are given in the Agenda.

Mr. A. F. Ewing, Economic Commission for Europe: It is with great pleasure that I am here today to bring you greetings from the Secretary-General of the United Nations. Although myself a member of the Secretariat of the Economic Commission for Europe, I want to say a few words particularly about the activities of the Economic and Social Council, where there is, I think, a close relationship and a growing relationship between the United Nations Organisation and the International Co-operative Alliance. There are on the Agenda of Congress this week two major papers which are of particular interest to the work of the Economic and Social Council, since, as you all know, the United Nations and its organisations are going increasingly to find in the central part of their task the problems of contributing to industrial development and economic development generally. The Economic and Social Council has in the past dealt in some of its studies, as most of you will know, with questions of direct concern to the Co-operative Movement. I cite, for example, the documents prepared over recent years, frequently with the help of the Alliance, on rural progress through co-operatives and other problems of a similar nature. There has also been, I think, an increasing co-operation between the United Nations and the work of the Alliance on problems of housing. Here I would mention as an example the seminars which have been held in the past in Latin America and in Asia and the Far East on the role of non-profit housing organisations, including co-operatives. Further such seminars are planned for the future dealing with the other developing parts of the world.

I should now like to say a few words about the organisation to which I belong myself, since, as the President has emphasised in his inaugural address, the Alliance is putting increasing emphasis on co-operation between itself and the different United Nations organisations and Specialised Agencies which are working at what I may perhaps call a more down-to-earth level on concrete problems.

The relations between the Economic Commission for Europe and the International Co-operative Alliance have always been close and very much at the working level. We have the same principle of universality that in what has hitherto been,

perhaps, a divided Europe, we have been concerned with the problems of all European countries. I shall not go into the details of the contribution which the I.C.A. has been able to make to the work of the Economic Commission for Europe in its different fields in research work, in problems of agricultural marketing, in problems of trade and in particular retail trade, and problems of the transport of perishable foodstuffs, to give examples of work which is going on in the Economic Commission for Europe. The particular work with which I am personally concerned is that of housing. One of my colleagues had an opportunity to attend a meeting of your Housing Conference here and take part in the discussion. There has been a really substantial contribution by your organisation, and particularly by Mr. Robert, of France, to the work of the Housing Committee of the Economic Commission for Europe. We are very glad to know that arrangements were made at your Housing Conference for strengthening that co-operation in most practical ways. If we may have to disagree to some extent about some of the means of carrying out international housing activities, I should like to emphasise that it is a disagreement about means and not in any way about ends.

I noticed that in the introduction of the list of international delegates reference was made to UNICEF. I am not certain whether there is a representative here from UNICEF; if not, I should like to draw your attention to the important work which it is doing in its expanded nutrition programme, dealing particularly with milk conservation and production, where there is the close interest of your body and the possibility of mutual working relations. I hope that I have been able to give an indication of the diversity of relationships between the United Nations organisation and the I.C.A. I think that working relations between us are increasing and can increase still further, and again I should like to bring the greetings of the Secretary-General and of my own colleagues and their wishes for the success of your Congress.

Mr. Roy, International Labour Office: I bring to this 21st Congress of the International Co-operative Alliance the cordial greetings of the Director-General of the International Labour Office and his best wishes for the success of the Congress. To me personally it is an honour and a privilege to attend this meeting.

Soon after its establishment 41 years ago the I.L.O. came into close contact with the Co-operative Movement. Since then, in view of the close relations which exist between problems of Co-operation and those of labour, the I.L.O. has been paying continuous attention to the study of the various problems which are connected with the improvement of the economic and social conditions of the workers. The I.L.O. is concerned with the main questions that are common to all or most types of Co-operation - co-operative legislation, co-operative education and training, organisation and administration, financing of co-operatives, inter-co-operative relations, and so on. It is also concerned with the effect of Co-operation on living conditions and the contribution of Co-operation to social activity in various fields, as well as the relations between Co-operation and other social movements and the State.

The subject of Co-operation has figured on the agenda of many meetings of the International Labour Organisation and many conferences. The I.L.O. work in the field of Co-operation falls broadly into two categories: research and study on the one hand, and technical assistance on the other. With regard to research and study, the I.L.O. collects information, analyses it and publishes it in suitable forms. This work needs to be further developed and intensified. In recent years the I.L.O. has

brought out a series of publications on Co-operation, the latest being *Co-operative Administration and Management*, and it has also published numerous papers on Co-operation in monograph form.

Technical assistance to the developing countries occupies a most prominent and important place in the work programme of the I.L.O. This assistance is provided on request to countries which themselves decide the form of assistance that they wish to have. During the last three years the I.L.O. has sent out over 50 co-operative experts to 17 countries and has awarded over 125 fellowships and study grants. It has also held three regional seminars in Asia and Africa and inter-regional seminars in Denmark, some of which were jointly sponsored by other international agencies, and in collaboration with the authorities concerned. In addition, two technical meetings have been jointly organised by I.L.O. and F.A.O., one for fishery co-operatives in Europe and North America, and one for co-operatives in the Near East.

The programme of the I.L.O. in the fields of both research and study and technical assistance is likely to be enlarged considerably following the adoption by the International Labour Conference, in June, 1960, of a resolution concerning the contribution of the I.L.O. to raising the income and living standards in rural communities with special reference to countries in course of development.

The association of the I.L.O. with the I.C.A. goes back many years. The Alliance was one of the earliest of the non-governmental organisations to be admitted into consultative status with the I.L.O. The I.L.O. attaches a great deal of importance and value to the work of the Alliance, and the two organisations have met from time to time to discuss matters of common interest, the last such meeting being held in April, 1958. We in the I.L.O. rejoice in the fact that our relations with the Alliance have been very cordial, and it is my hope that the two organisations will come still closer together in the future. We have noted with particular interest the Alliance's programme of technical assistance to developing countries, and if we can do anything to foster this programme we shall be very pleased to do it, subject to the limit of our resources. The I.C.A. is doing valuable work in the promotion of Co-operation in the world and I wish it every success in the efforts which it is making.

Mr. J. E. O'Meara, Food and Agriculture Organisation: On behalf of the Director-General of the Food and Agriculture Organisation of the United Nations I bring you his warm greetings and good wishes. We in the Food and Agriculture Organisation, who are concerned with work in the field of agricultural co-operatives, are very appreciative of the close association of your Alliance with the F.A.O. We are hopeful that this association will continue to be productive and mutually satisfactory. The active support of the Alliance for the work of the Fisheries Division of F.A.O. in the field of fishermen's co-operatives, and the ready response of your Director and General Secretary to our invitation to participate in the round table conference of international organisations interested in Co-operation, held in Paris last February, are especially welcome and indicative of the kind of co-operation we have come to expect from genuine co-operators. Many of the problems which farmers have in the production, marketing, and processing of food and fibres can be solved through agricultural co-operatives.

We are fully aware that much greater attention must be paid to the organisation of co-operatives, especially in the field of marketing, to which the Alliance has drawn our attention more than once in the past. Our programme of work for the years

ahead will, I hope, reflect our interest in this most important and yet most difficult field. It is a matter of deep satisfaction to us to note that you began to publish your Agricultural Co-operative Bulletin in 1959. We have found this bulletin most useful and informative and we are certain that it will help to keep many people apprised of developments in the field of Co-operation. It is a service which was definitely needed.

As a non-governmental organisation in consultative status with F.A.O., the Alliance has been represented recently at meetings convened by our Director-General in connection with the world-wide Freedom from Hunger Campaign launched in Rome on 1st July, of this year. This campaign is designed to focus attention on the problem of food supplies for the growing world population and the need to stimulate Governments and peoples all over the world, particularly in the under-developed regions, to increase agricultural productivity. The Director-General of F.A.O. has asked me to invite from this Congress some specific suggestions as to how the Co-operative Movements of the world may unite their tremendous strength and support behind this campaign. Co-operatives are part of the economic and institutional conditions which are necessary to ensure the best results from the application of science and technology to agriculture.

Increased production is not enough; there must be an accompanying improvement in land tenure conditions, adequate prices and farm credit facilities, good marketing facilities, especially through co-operatives, and a generally expanding economy. One of the major items on your Agenda is concerned with the promotion of co-operatives in the developing countries, and in the course of the discussion we may find common ground for I.C.A. active support and participation in the Freedom from Hunger Campaign. Your deliberations during the next few days may have a lasting effect on the future of world-wide co-operative development, and I wish you every success.

Mr. P. Lengrand, UNESCO: I am very happy to be able to extend greetings to this great Congress on behalf of the Director-General of UNESCO. He has entrusted me with the task of presenting his best wishes for the success of your work. The interest which UNESCO takes in the activity of co-operative organisations is constant, and this applies to the whole programme of activities of the different departments of UNESCO. It is true that the field of action of co-operatives is vast, so much so that it takes in not merely problems treated by specialists in social science but also the work of specialists in art and culture and in various types of research. It is, however, our department which deals with education, and particularly the services in that department which have to do with adult education, which have established the closest and most direct link with your work. The reasons for this are obvious. We need only look at the different reports sent in by your national groups to realise the importance that you attach in all your aims and objects to educational programmes. We find they are an impressive description of different activities carried out in the various countries.

As soon as it started its adult education work, UNESCO realised the exceptional importance of your programmes for the success of this major activity in our own work. UNESCO appreciated that in this matter co-operatives were its best allies in one of the most important activities of our century, which is to establish structures of society made up of adults in the full sense of the word. Co-operation is indeed the form of social grouping which meets nearly all the demands of adult education. Adult education is linked very closely to the organisation of active

methods. Those among adult educationists who have a good appreciation of the nature of their activity wish to further the development of personality in individuals and in groups, not so much by teaching – though teaching has its place in adult education programmes – but chiefly by putting the individuals and groups in situations where they can find occasion to develop their personality and affirm their faculties in every aspect. That shows the importance which we have to attach to the education of men and women to make use of those possibilities which are latent in them and prepare them for action.

It is not for you co-operators to be taught by me about education as a school of responsibility. That is the beginning and the end of it. When we speak of responsibility, it is not only the most obvious form of responsibility which we have in mind, that responsibility which every man has *vis-à-vis* his fellows, but also the responsibility which each one of us has *vis-à-vis* himself. There is a long task to be accomplished here and a long road to be followed if a person is to conquer himself and become the effective master of his own tastes and wishes and abilities so that he can with full knowledge take part in the accomplishment of his destiny. It is through this responsibility and the exercise of it that man becomes a subject for history, his own history, and also that of the world to which he belongs and not merely a subject of history. Co-operatives furnish a most valuable element of constant activation for this effort of cultural and intellectual progress, which man cannot undertake unless he has solid reasons for it.

Co-operation, which has such a magnificent opportunity to contribute to the coming into being of modern humanism, does not exist in a closed world and needs collaboration with forces outside it. Co-operators cannot fail to realise what goes on beyond them and around them. Education has a place everywhere, in the world of popular culture, among universities, laboratories, and other groups. Research is concerned as well as results, and conclusions must be reached which have universal value. There is, for example, research on the major means of communication, on leisure, on group dynamics, on discussion methods and so on. A knowledge of all these things is indispensable to those who have responsibilities in this field. UNESCO in conformity with its mission is about to start to develop this movement of ideas and knowledge and is trying to establish contact and to stimulate the universal circulation of concepts. It has already established a very direct and constant contact with the I.C.A., and one of your members is on the Committee for Adult Education which lays down the programme for adult education in UNESCO, and has done so ever since it was set up. You took a leading part in our latest conference on adult education held at Montreal, and there co-operative education took its proper place, which is a very important and indeed a central one.

Our programme for relations with non-governmental organisations we regard as very important, since in addition to member States it brings us into contact with the most active movements for adult education.

UNESCO has also established co-operation with the I.C.A. through its organised study tours. Our service for the exchange of personnel has established a continuous flow of relationships between co-operators from different countries, Austria sending people to Sweden, Italy people to the North of Europe, Switzerland to different countries and so on. It would be very easy for me to read out to you a long list of contacts of this sort. On the other hand, UNESCO publications have laid emphasis on Co-operation. We have published a book called *Co-operatives and Basic Education*. In a few days you will be studying one of the key problems of

our era, which is that of aid to the under-developed countries to help them in their efforts, and here again Co-operation has an important part to play and one which will help the achievement of solidarity between the peoples.

Professor Milhaud, International Centre of Research and Information on Collective Economy: I know to what an extent the Agenda of your Congress is overloaded, and therefore I shall be extremely brief. The International Centre, which I have the honour to represent here, undertakes activities which cover the entire field of collective economy, that is to say the field of management and co-ordination of the different branches of the economy. I wish on its behalf to express our deep gratitude to the I.C.A., which ever since the Paris Congress has been so good as to invite a representative of the Centre to attend the opening meeting of Congress and to have an opportunity to speak. As the delegate on this occasion I wish to say that I am profoundly grateful for the invitation to take part in this Congress, and I offer you the greetings of my organisation, and my own fraternal greetings as between co-operators.

My organisation follows the progress of the Co-operative Movement throughout the world with the utmost interest, because we know full well that it is the structure as well as the spirit of Co-operation which enables the collective economy to achieve in all fields of economic life its ideal. I wish to emphasise the fact that the public sector itself more and more tends to try to find a solution to its own problems, both internally and externally, through co-operative forms and methods. I should like to point out to Congress that later this month one of the most powerful bodies in the Belgian Co-operative Movement, the Communal Credit of Belgium, which grants credits to municipalities and provinces, will celebrate the centenary of its foundation. It has become a co-operative of the purest possible type, a co-operative of public communities. It was the first co-operative having a public legal status, it was as Bernard Laverghé said, the first state co-operative, and as Paul Lambert said the first public co-operative in the entire world. For a whole century it remained a co-operative that rendered to its members, both municipalities and provinces and to the populations in them, service by reason of the conditions under which it was made possible for them to obtain loans, by reason of the terms and duration of the loans, and by reason of the conditions regarding interest and so on, securing the lowest possible interest rate. By doing so it rendered the greatest possible service to the communities which it served. Today there are hundreds of co-operatives of this sort in Belgium which began by imitating this Belgian Communal Credit organisation, and they exist at the national as well as the regional and local levels. They are also to be found in very many other countries.

There is, for example, the World Bank for Reconstruction and Development, which is a bigger form of the national institutions, and whose working capital is of the order of 20 milliard dollars, because it has been doubled recently in order to meet wider needs. In this manner, in the most diverse forms, the forces of Co-operation are growing in importance throughout the world. From this we can see new horizons, and with all our heart and soul we in the organisation which I represent try to help Co-operation forward. The day will come when there will be peace everywhere for a reconciled humanity. I convey the greetings of my organisation to this 21st Congress of the Alliance.

The President: I congratulate Professor Milhaud on showing us so clearly how dynamic he still remains. I call on Mrs. Cook to address us on behalf of the International Co-operative Women's Guild.

Mrs. Cook, I.C.W.G.: I feel myself very privileged to bring to this great Congress the greetings of the women of the I.C.W.G. The Women's Congress, which preceded this Congress, was the 11th International Congress of Co-operative Women. These international gatherings have been made possible by the help of services provided by the I.C.A. without which they could not have taken place. This year delegates and visitors have been present at our Congress from 19 countries, numbering more than 250 women. On behalf, therefore, of all those who were present and all of those who were represented in the 21 countries in membership with the I.C.W.G., I desire to express very sincere gratitude to the International Co-operative Alliance.

I wish, however, especially on this occasion to emphasise our thanks for the additional help which we have received this year in the form of a substantial donation to our funds. We are even more appreciative when we contemplate now the very real prospects of closer association between the I.C.W.G. and the I.C.A. Many changes in the conditions which influence human behaviour have brought about a new conception of the position of women in the modern world. The increasing speed of both communications and transport has done much of late years to stimulate the growth of progressive ideas amongst women, and this growth does not pass unnoticed by men, but precept has not yet led to practice, though in countries far apart and in circumstances where women have previously suffered the greatest disadvantages there are now indications in the achievements of individual women that the work of the world in future must be a task for men and women together. It may be relevant here to add that consumers' co-operatives, in which the work of women has a special value, still provide the largest number of members in the varied organisations which are linked together in the I.C.A.

The closeness of the interests of men and women, especially in the consumer field, has recently been clearly demonstrated within the Co-operative Movement. Both the I.C.A. and the I.C.W.G. have been discussing problems relating to the health of people all over the world. There is need here for joint action of both men and women in the Co-operative Movement. There is also an urgent need to raise the standard of life of people in the under-developed countries. These are two issues which are responsive to co-operative action and have been recognised as such both by the Alliance and by the Guild in a practical way.

It is becoming increasingly obvious that both nationally and internationally Co-operation must develop through joint action. Men and women live together in communities of various types and share in the mutuality of life. They can no longer be logically separated into men's organisations and women's organisations on issues which affect them both. They live in what is fast becoming one world. Only Co-operation can make this a good world for all. It is a task which we must approach as a joint task. I believe that circumstances today offer hope that a way will be found whereby in our great movement men and women, working specifically along the lines which they are most competent to follow and united in the cause of co-operative progress, will go forward together to work for a co-operative world. In the name of co-operative women everywhere I wish this Congress every success.

Appointment of Congress Committee.

The General Secretary: The next business of Congress is the election of the Congress Committee, which, as you know, consists of the President and two Vice-Presidents of the Alliance, three members of the Central Committee, and three

delegates to Congress who are not members of the Central Committee. The Central Committee recommends as the three members of the Committee to serve on the Congress Committee, Mr. A. Vuilleumier (Switzerland), Mr. F. F. Rondeau (U.S.A.), and Mr. D. E. Hettiarchchi (Ceylon). As the three delegates to Congress, the Central Committee propose Mr. P. Søliland (Norway), Mr. W. B. Melvin (Canada), and Mr. N. A. Kularajah (Singapore).

The President has also asked me to announce at the same time to the members of the Congress Committee that their first meeting will take place this afternoon, at the rise of Congress, to consider an emergency motion which has been handed to me this morning in accordance with Article 25 (b) of the Rules.

The President: You have heard the proposal for the composition of the Congress Committee, as proposed by the Central Committee. Are there any objections? There being none, we shall regard the Congress Committee as so constituted.

Appointment of Tellers.

The General Secretary: The next item of business is the election of Tellers for the Congress, in accordance with Standing Orders. The Central Committee recommend as tellers for this Congress the following: Mr. R. Kérinec (France), Mrs. L. Crisanti (Italy), Mr. H. Althaus (Switzerland), Mr. H. K. Stecker (Austria), Mr. W. J. Campbell (U.S.A.), Mr. V. P. Kondratov (U.S.S.R.), Mr. A. Bo (Denmark), and Dr. E. Hasselmann (Germany) with Mr. L. Offer (Great Britain) as Chief Teller. If those names are accepted, it will be for Mr. Offer to arrange a meeting of the Tellers and decide on the action which they will take in the event of a vote.

The President: Is there any objection to that proposal? If not, it is adopted.

Report of the Central Committee on the Work of the International Co-operative Alliance 1957—1960

INTRODUCTION.

The three years since the 20th Congress of the International Co-operative Alliance at Stockholm have witnessed scientific and technological achievements without parallel in human history. These achievements, while they signify a vast increase in man's command over natural forces, have done little directly to increase the security of livelihood and wellbeing which are all that millions of humble people ask from the community. On the contrary, they have served only to sharpen men's sense of insecurity for they have been accelerated, not only by friendly collaboration and emulation amongst scientists, but in a great measure by political animosity and fear of being outclassed in the contest for world power.

The greater certainty that world war, if it should break out a third time, will bring annihilation has imparted a deepening anxiety to the hopes with which the peoples have followed the attempts of world statesmen to reduce tension and find ways to peaceful co-existence, as well as intensifying their disappointment with every conference that proves abortive. Such failures only reinforce the conviction of Co-operators that the policy, advocated by the I.C.A. over many years, of disarmament under effective inspection and control, together with the extension of international collaboration based on the United Nations, is the one most likely to bring about that enduring peace which is man's universal aspiration.

Meanwhile, in the political sphere, progress towards self-government and national freedom by peoples who had long been in a state of dependence has continued at an increasing pace. This movement derives its main impulse from the desire for economic development on modern lines and higher standards of living, as well as the belief that these are attainable with greater speed and certainty if the peoples take their affairs into their own hands. The creation by the United Nations, under the pressure of its new members, of the Special Fund for Economic Development reflects this tendency. It is to be seen also in greater recognition of the need and value of Co-operative Organisation and increasing demands for aid in the form of knowledge and technical skill upon the International Organisations, governmental and non-governmental, engaged in the promotion of Co-operation.

In the effort to respond to these demands and, at the same time, to assist its older members in the industrialised countries to adjust their structures and trading policies to rapidly changing competitive conditions in distributive trade, the I.C.A. has had to expand its services and assume new tasks up to the limits set by its present financial resources.

MEMBERSHIP.

The Report to the Stockholm Congress emphasised the further expansion of the composition of the I.C.A. so far as younger Movements in developing countries are concerned.

Since the last Congress new affiliations have included eight Organisations from developing countries, the first seven of which are countries newly represented in the Alliance—

Burma: National Co-operative Council, Rangoon, founded 1956.

Chile: Federación Chilena de Cooperativas de Ahorro, Santiago, founded 1953.

Cyprus: Co-operative Central Bank, Nicosia, founded 1937.

Indonesia: Dewan Ko-operasi Indonesia, Djakarta, founded 1953.

Iran: Army Consumers' Co-operative Society, Teheran, founded 1949.

Jordan: Central Co-operative Union, Amman, founded 1959, admitted as an associate member.

Western Nigeria: Co-operative Union, Ibadan, founded 1952.

Malaya: Federation of Housing Co-operatives, Kuala Lumpur, founded 1957.

Other new member Organisations are—

Belgium: Société Coopérative Fédérale de Belgique, Brussels.

France: Confédération des Organismes de Crédit Maritime Mutuel, Paris.
Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, Paris.

Israel: "Haikar" Audit Union of the Agricultural Societies of the Farmers' Federation of Israel, Tel-Aviv.

Japan: National Federation of Fishery Co-operative Associations, Tokyo.

Sweden: Svenska Riksbyggen, Stockholm.

New affiliates from France, Malaya and Sweden have increased the importance of Housing and Building Co-operatives and, consequently, the membership of the Housing Committee, while others from Japan and France have made it possible this year for the first time to include in the Annual Statistical Statements separate figures on Fishery Co-operatives.

The global membership of the Alliance is now 88 National Co-operative Organisations in 48 countries, which, according to the latest figures received, comprise 479,920 Societies with 146,790,566 members.

The changing importance of the different types of Societies as a result of the increasing number of non-European affiliates has been such an interesting feature of I.C.A. membership since the Second World War that the following comparisons are given —

Consumers'	1948	47,938	with	56,198,226	members
	1958	49,032	„	71,550,795	„
Workers' Productive and Artisanal.....	1948	11,329	„	708,835	„
	1958	32,273	„	2,846,332	„
Housing and Building...	1948	2,237	„	447,908	„
	1958	13,347	„	3,125,124	„
Agricultural	1948	61,657	„	16,227,491	„
	1958	101,982	„	19,947,750	„
Credit	1948	211,904	„	16,022,538	„
	1958	269,371	„	40,770,136	„
Fishery – first figures ...	1957	6,367	„	1,221,691	„
	1958	7,981	„	1,392,644	„
Miscellaneous	1948	3,690	„	1,365,709	„
	1958	5,934	„	7,157,785	„
Insurance	1948	42	„	35,389,586	insured persons
	1958	61	„	52,102,611	„

ELIGIBILITY FOR MEMBERSHIP.

The Report to the Stockholm Congress recorded the special measures which had been taken by the Central Committee, and by Congress, to meet the situation arising from the re-organisation of former member Organisations into State-controlled Movements which culminated in the acceptance, by a majority vote of the Central Committee at its meeting in London, February, 1957, of a motion submitted by the Scandinavian members which requested 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.”

At its first meeting the Executive Committee elected at Stockholm appointed a Sub-Committee to undertake this study, having as its members Mr. Brot, President, Dr. Bonow and Mr. Klimov, Vice-Presidents, Mr. Cerreti, Italy, Mr. Charbo, Holland, Mr. Korp, Austria, Mr. Patel, India, Mr. Southern, Great Britain, Mr. Voorhis, U.S.A.

The basis of the Sub-Committee's discussions was a memorandum prepared by Dr. Bonow in collaboration with other representatives of the Scandinavian member Organisations which suggested three theoretically possible solutions of the problem: i. To admit into membership all Co-operative Organisations which desired to affiliate, irrespective of their status and irrespective of the political system in their respective countries; ii. To admit to, and retain in, membership all genuine Co-operative Organisations (genuine in the sense of the interpretation of genuine Co-operatives approved by the Congresses at Copenhagen and Paris); the third possible solution being what the author of the memorandum called the *status quo* line.

In the course of the study, other documents were submitted and considered: two memoranda from Centrosoyus, submitted by Mr. Klimov, elaborating its standpoint which was for the acceptance as members of the I.C.A. of National Co-operative Organisations which conform to the rules of the Alliance; a letter from the Co-operative League of the U.S.A., sent in by Mr. Voorhis, which was in favour of the second proposed solution. The other members of the Sub-Committee, in the course of their discussions, expressed at length their personal standpoints which were, at the same time, those of their respective Organisations.

The Central Committee received an interim report on the work of the Sub-Committee at Brussels in September, 1958.

For their meeting at Paris, January, 1960, the members of the Central Committee received a long memorandum which gave a very full summary of the discussion at each meeting, also, as appendices, the full text of the memorandum of Dr. Bonow, the two memoranda of Centrosoyus, the letter from the Co-operative League of the U.S.A., also the following recommendation which the Sub-Committee had adopted by five votes for to two votes against—

1. That the Executive Committee —

a. Should admit as full members (either collective or individual) only such Organisations as, after rigorous examination, are found to be genuine, free Co-operative Organisations;

b. Should admit as associate members Co-operative Organisations which fulfil the provisions of Article 14 only if there is reason to assume that they will, after a transitional stage, develop into free, genuine Co-operative Organisations eligible for full membership.

2. That the Executive and Central Committee —

Should observe the conditions under which Co-operatives work in all countries and that, in cases where it is confirmed that a serious aggravation of the dependence of certain members has taken place, or where there has been serious neglect by an Organisation of the obligations of members laid down in Article 13 (a), the Authorities of the I.C.A. should proceed according to Article 11 of the Rules;

Should interpret very strictly Article 7 of the Rules in connection with the Standing Orders of the different authorities of the I.C.A., so that the activity of the I.C.A. cannot be hampered by political party propaganda or other non-co-operative interference.

Dr. Bonow, as the rapporteur of the Executive, gave the Central Committee a comprehensive account of the Sub-Committee's work and moved the adoption of the recommendation.

At the end of a very long discussion, in which 13 members representing the Movements in U.S.S.R., Great Britain, Italy, Switzerland, German Federal Republic, Yugoslavia, Holland, Czechoslovakia, Canada, U.S.A., Japan and Austria took part, the recommendation was put to the vote and the President declared its adoption by 73 votes for, 27 votes against, and 3 abstentions.

ASSOCIATE MEMBERSHIP.

It seems desirable to restate the reasons for the creation of Associate Membership and to define it.

The report on the Future Policy of the I.C.A., which was adopted by a majority vote at the Paris Congress in 1954, stressed the importance for the Alliance to make contact, from the earliest stages of their development, with the younger Co-operative Movements which, in many cases, have not full control of their own affairs but are dependent upon National Governments or other agencies.

The Policy Sub-Committee recommended that, in order to bring such young Organisations into suitable official relations with the Alliance, the Rules should be so amended to allow them to become "associates" purely as a transitional stage towards full membership and subject to the following conditions -

a. These Organisations should be such as are not immediately eligible for affiliation under the Rules but through their aims and activities promote the development of Co-operation in conformity with the objects and methods of the Alliance.

b. Associates should be entitled to receive the I.C.A.'s official publications and to be represented by observers at the Congress and meetings of the Central Committee. The observers should not have the same rights as members' delegates to speak or vote.

c. Each Associate should pay a subscription fixed by the Executive which should report to the Central Committee its decisions on the admission of Associates and their subscriptions.

The persistent assertion by some member Organisations that associate membership was introduced to prevent the young Co-operative Organisations in developing countries from enjoying full membership of the Alliance is absolutely false, and those Organisations which have applied for associate membership gratefully appreciate the privileges which it accords to them.

COMMITTEES OF THE I.C.A.

The Central Committee now has 113 members representing affiliated Organisations in 29 countries. The fact that the meetings of the Committee always take place in Europe restricts the participation of non-European members, particularly those representing the young Movements in developing countries which cannot afford the travelling costs involved.

The newly-elected Central Committee met at Stockholm at the close of the Congress to elect the President and two Vice-Presidents of the Alliance, also the members of the Executive. It has met since at Brussels, September, 1958, Paris, January, 1960, Vienna, May, 1960, and will hold its statutory meeting at Lausanne on the eve of Congress.

New members have been co-opted to the Committee by the authority given by Congress: Canada, Mr. R. Staples; Denmark, Mr. Ebbe Groes; Great Britain, Mr. W. Quincey, Mr. P. M. Williams; India, Mr. V. C. Parashar; Sweden, Mr. S. Kypengren.

The Executive met at Stockholm on 7th August and at Strasbourg in December, 1957; in 1958 it held meetings at Annecy in April, at Brussels in September; in 1959 it met at Nancy in May, at Garmisch-Partenkirchen in September. This year it has met at Paris in January, at Vienna in May, and will hold its last meeting at Lausanne.

The Executive Sub-Committee, of which Mr. Brot, Dr. Bonow, Mr. Barbier, Mr. Charbo, Mr. Serwy, Mr. Schumacher, and Mr. Southern are members, has met on several occasions to deal with questions referred to it by the Executive, particularly the revision of the Rules and relations between the I.C.A. and the International Co-operative Women's Guild.

The Technical Assistance Sub-Committee, composed of Mr. Brot, Dr. Bonow, Mr. Barbier, Mr. Patel, and Mr. Southern, had as its first task after the Stockholm Congress, to make the final arrangements for the I.C.A. South-East Asian Conference at Kuala Lumpur in January, 1958, and the visits to member Organisations to be undertaken by the I.C.A. delegation en route to Malaya.

Since the Kuala Lumpur Conference the Sub-Committee has been preoccupied with the planning of the I.C.A. Regional Office and the Seminar on Problems of Leadership, and with its approval several technical assistance projects have been carried out by the Officers.

The work of the Technical Assistance Sub-Committee is reported in the section of this Report on Promotion of Co-operation.

The Auxiliary Committees.

The reports of the Auxiliary Committees, as Appendices to this report, record in most cases increasing activity, also an awareness of the contribution each can make to the Technical Assistance Programme of the I.C.A. Certainly the Authorities of the Alliance responsible for carrying through the long-term programme look to the Auxiliary Committees for practical help.

The International Co-operative Assurance Committee held an important meeting in New York in September, 1959, in which representatives from most of its member Societies examined together their future tasks and responsibilities, and the promulgation of the broader ideas of Co-operation.

✓ **The International Co-operative Banking Committee** at each meeting has received detailed reports on the Co-operative Banks in the respective countries, has discussed the question of ways and means of increasing mutual business transactions between the Banks, and has also considered the advantages of electronic computers.

The International Committee on Agricultural Co-operation has attained its desire for permanent expert assistance within the Secretariat of the I.C.A. by the appointment at the end of 1957 of Mr. G. Davidovic. But its great need for the collaboration of a larger number of Agricultural Co-operatives remains unfulfilled.

The Committee of Representatives of Workers' Productive and Artisanal Co-operatives has published further series of monographs on Fishery Co-operatives and Workers' Co-operative Productive and Artisanal Societies in the industry for the Mechanics and Working of Metal.

The International Committee on Housing is increasing its international collaboration, particularly in connection with the Housing Division of the I.L.O. and the Housing Committee of E.C.E. Certain of its member Organisations collaborated this year in a project of the Technical Assistance Sub-Committee, which provided a Study Course in Europe by an official of the Housing Federation of Malaya.

✓ The Co-operative Wholesale Committee, in addition to three Ordinary Members' Meetings, an Extraordinary Members' Meeting and meetings of its Management Sub-Committee, has convened four conferences of milling experts, three conferences of representatives of co-operative chocolate and confectionery factories, two conferences of the chiefs of co-operative food laboratories, two conferences of experts on frozen foods, a conference on the construction of industrial plant and warehouses, a conference of representatives of the co-operative footwear factories, a joint conference of representatives of the Wholesales of the European Economic Community and of the European Free Trade Association and a conference of the Wholesales of the European Free Trade Association.

The Auxiliary Committee on Retail Distribution held its first meeting at Brussels in September, 1958, when representatives were present from National Unions and Wholesale Societies in 15 countries, including the U.S.A. The first business was the election of a Management Sub-Committee, which Committee at its first meeting in December, 1958, elected Mr. Carl Albert Anderson as Chairman. Two Working Groups were constituted for Food Shops and Department Stores, both of which have held successful meetings.

The International Co-operative Petroleum Association, which also submits a report as an Appendix, at its meeting last year discussed the possibility of forming a consortium for oil production, probably in North Africa or the Middle East, and the question is now under consideration by the Board with a view to a recommendation.

Working Groups.

The Working Party of Librarians from Great Britain, Holland, Sweden and Switzerland, has met once during the past three years, and its work continues to show practical results, notably in the reform of the U.D.C. classification on Co-operation.

In October, 1959, fourteen Economic Information and Market Research Officers from nine countries, with the Research Staff and Officers of the I.C.A., met to consider the possibility of collaboration on the national and international plane. The results of their meeting are indicated in the section of this Report on Economic Research.

FINANCES.

It was recognised at the last Congress that a percentage increase in the rate of membership subscriptions was not a real solution of the problem of the I.C.A.'s financial policy but, at the same time, the Congress endorsed the opinion of the majority of the Central Committee that the time had not come for implementing the principle that subscriptions of member Organisations should be in proportion to their development and economic importance.

At their meetings following the Congress, the Executive continued to study the financial position and, in the light of the Annual Accounts and Balance Sheet for 1957 and the fact that estimated income and expenditure for 1959, taking into consideration the cost for the setting up and functioning of the South-East Asian Regional Office, indicated a deficit of about £9,000, it felt obliged to recommend to the Central Committee that all subscriptions should be increased by approximately 20 per cent as from January, 1958.

This recommendation the Central Committee approved by a substantial majority vote, and it will be seen from the statement in Appendix XI, that the income from subscriptions in 1958 was £4,601 above the 1957 figure, while in 1959 there was an increase over 1958 of £2,267.

But still the financial resources are quite inadequate for the needs of the Alliance and it must be recognised that, with few exceptions, its work has not developed as was anticipated by the Programme approved by Congress in 1946.

The present staff is numerically the same as in 1939, and, so far as specialist services are concerned, the only addition has been the provision of expert assistance for the work of the International Committee on Agriculture.

By far the largest new obligation which the Alliance has accepted is the establishment of its first Regional Office in South-East Asia, for which a budget of about £20,000 is envisaged, which is to be provided from its General Funds.

The Executive, and its Sub-Committee, have continued their studies of the finances and the results are reflected in the Amendments to the Rules which the Central Committee recommend to the Congress.

Whatever Congress may decide as regards the Amendments concerning membership subscriptions, it will be necessary for the Central Committee and the Executive to keep the financial position constantly under review, and an important factor which cannot be ignored is the effect upon the budget of the Alliance of the steadily rising level of costs and prices.

THE RESOLUTIONS OF THE STOCKHOLM CONGRESS AND THE POLICY OF THE I.C.A.

Co-operation and Health

One Resolution of the Stockholm Congress which has been effectively implemented is that on "Co-operation and Health," which instructed the Executive to convene an International Conference to consider the most appropriate and effective action on the part of the Co-operative Movement at international and national level in defence of the consumer, particularly from the standpoint of health.

A three-day Conference was convened in September, 1959, at which delegates from affiliated Organisations in 13 countries included scientists and technicians, officials responsible for consumer information and education, legal experts, and directors responsible for trade policies.

After discussing Papers on different aspects of the problem - Risks and Dangers to Consumers' Health connected with Foodstuffs; Principles and Implementation of Legislation for Consumer Protection; Consumer Information and

Education; The Functions of the Co-operative Movement and its Collaboration with other Institutions, National and International; Research; The Needs and Possibilities of National and International Collaboration; Effects of a Policy of Consumers' Protection on the Business Activity of the Co-operative Movement – the Conference unanimously adopted recommendations for action at national level (legislation, consumer information and education, and research), also at international level.

With the approval of the Executive, these recommendations have since been circulated to all affiliated Organisations.

This Conference, which was regarded as a real success, marked the entry of the I.C.A. into a new field of activity which is expected to grow in significance. Similar Conferences will be convened from time to time to deal with other aspects of the very wide and important problem which was placed before the Stockholm Congress, and one which is being studied by non-co-operative bodies and research institutions.

International Co-operative Trade.

Co-operation in World Economic Development and Peace.

The resolutions on these two Papers laid special responsibilities upon affiliated Organisations and, in a number of cases, efforts have been made to fulfil the desires of the Congress.

A summary of such information which it has been possible to collect on the action taken on these and other Resolutions of the Congress was given to the Executive and Central Committee, but it was very incomplete and did not offer a basis for further action.

Peace.

This Resolution, which reaffirmed the Peace Policy of the I.C.A., was sent to the United Nations, and was given wide publicity in most countries. A number of Organisations forwarded it to their respective Governments with the request that they would give serious consideration to the appeals which the Congress addressed to them specifically.

The Peace Policy was again expressed in the following Resolution unanimously adopted by the Central Committee at Paris in January, 1960 –

“ At a moment which may be of decisive importance for world peace, the International Co-operative Alliance welcomes, as a sign of great hope, the coming together of Statesmen for the purpose of bringing to an end the tension in international relations.

The assurance that conflicts between nations will henceforth be settled by peaceful means should prove an invaluable relief for the peoples now living in the fear of a devastating world-wide conflict.

The complete realisation of simultaneous universal disarmament under effective supervision would free the nations from crushing and unproductive burdens.

The International Co-operative Alliance expresses the desire that the huge resources which would become available by disarmament should be used in a vast undertaking of international co-operation to banish poverty and famine throughout the world and to help economically weak nations to raise their standard of living by their own efforts.

The International Co-operative Alliance, with its 140 million families in 47 different countries on all continents, welcomes the efforts of the Governments of the great powers and stresses that no real peace can be obtained unless the freedom of the smallest of the nations and the humblest of men is fully respected.

The members of the Central Committee of the International Co-operative Alliance meeting in Paris on the 12th-14th January, 1960, express the profound hope that, in their coming Conference, the heads of Governments will reach constructive solutions in a spirit of goodwill and international co-operation."

Copies of this Resolution were sent to the Heads of the Governments of France, Great Britain, U.S.A. and U.S.S.R. prior to the date of the Summit Conference at Paris in May.

The Resolution of the Stockholm Congress on **The Promotion of Co-operation** is referred to in another section of this Report.

PUBLICATIONS.

Mounting costs of printing and translation, not offset by the much slower growth of circulation, have tended to augment the deficits incurred by the publication of the *Review of International Co-operation* and the quarterly economic review *Cartel*. The situation has been closely watched by the Executive who decided that from January, 1959, the annual subscription for the English edition of the *Review* should be increased by 50 per cent. The subscription for the German edition was raised in 1960. In the same year, the subscription for the English edition of *Cartel* was raised by 50 per cent; the question whether the I.C.A. can continue to afford to publish a French edition remains to be decided.

So far the higher subscriptions have been borne without appreciable loss of circulation, the chief menace to which is the reduction in trading margins and the consequent cancellation of Societies' block subscriptions for co-operative publications. National Organisations are consulted from time to time on the best measures to counteract this tendency and the Alliance is indebted to them for their efforts to interest their members in its publications.

The financial factor also affects the editorial policy of the *Review* which is restricted to a normal size of 24 pages in the English edition. Under such a restriction it is impossible to do justice to every aspect of co-operative development, whether among the older or the younger Movements, deserving of record or comment at the present time. The policy of publishing double issues devoted to a single broad theme has been continued with rather variable support from the readership. The double numbers devoted to the Stockholm Congress and the Kuala Lumpur Conference did not evoke the anticipated demand for extra copies.

On the other hand, the double issue devoted to the Changing Economic and Co-operative Structures was successful, 650 extra copies of the French and German editions being sold.

The editorial policy of *Cartel* has continued to evolve in the direction of a more complete service of information concerning consumer protection in all parts of the world, while maintaining the study of cartels, restrictive practices and their legislative control.

The *News Services, Co-operative and Economic*, and the other roneotype publications, *Digest of the Co-operative Press* and *Film Bulletin*, are still attracting a growing number of subscribers, especially in the developing countries. The material is widely reproduced in National Co-operative Journals and requests for copies of the *Digest* are frequently received. A new roneotype publication *Agricultural Co-operative Bulletin*, which first appeared in April, 1959, has met with a favourable response. The reporting of important I.C.A. events in special *Press Releases* appears to meet the convenience of editors and to result in more widespread publicity for the Alliance.

Special Publications.

The Report of the 20th Congress was published in English before Christmas, 1957, but the French edition, owing to circumstances beyond the control of the Secretariat, was subject to repeated delays and was not available until early in 1960.

The Jubilee History of the I.C.A. was completed in its German text by the author Dr. Henry Faucherre. The offer of the Swiss Co-operative Union, V.S.K., to undertake the printing of this work on behalf of the I.C.A. was gratefully accepted by the Executive.

The I.C.A.: Its Aims and Work appeared in a French edition in 1959. The first English edition being exhausted, it has been replaced by a second edition in 1960.

International Co-operation, Volume V. In accordance with the decision of the Executive, this volume has been produced as far as possible within the Secretariat for the sake of greater uniformity and completeness of survey, but valuable help in supplying material has been given by a number of National Organisations.

Co-operation for Fishermen. The I.C.A. has agreed to undertake the publication of this brochure in conjunction with F.A.O. It contains both information and practical guidance for forming and managing Fishermen's Co-operatives.

Press Directory and Film Catalogue. Further Supplements bringing the information in these brochures up to date are in preparation.

The work of the Publications Section includes more than the compiling and editing of the publications listed above. It tends increasingly to act as a public relations office for contact with the outside press and press officers of National Embassies in London, answering requests for information, and providing photographic and other material. As the number of Co-operative Films and the demand

for them grows, problems involved in the import and dispatch of films both abroad and to British Societies which hire them in increasing numbers from the I.C.A., demand more and more attention from the publications staff.

ECONOMIC RESEARCH.

Since 1957 the Economic Research Section has been able to undertake a number of other tasks additional to the production of the quarterly *Cartel* and the monthly *Economic News Service*.

Its enquiry into consumer credit, as practised by the Consumers' and Agricultural Co-operative Movements, was completed and the report circulated in 1958.

The increasing number of National Organisations which had appointed economists to organise research and information services made it desirable that an attempt should be made to create systematic links and collaboration between them. At the meeting of Economic Information and Market Research Officers in London, October, 1959, the I.C.A. Research Section undertook to serve as a centre for the collection and diffusion of information concerning research projects completed, in action, and contemplated, so that this work could be better co-ordinated and useful information exchanged.

The Research Section also undertook to carry out, with the collaboration of the national research services, an investigation on the international level into the present extent and organisation of voluntary groupings of wholesalers and retailers. Besides some independent pieces of research, e.g., into discount houses, and a reworking of British data on the changing pattern of consumers' demand in relation to co-operative trade, the Section has, from time to time, provided background material, e.g., on world oil production, for the Executive.

HENRY J. MAY FOUNDATION.

The work done under the aegis of this Foundation is still limited almost entirely to the Annual International Co-operative School, but it is becoming increasingly evident that it must be extended in at least two directions. First, there is the growing need for a different kind of international course with a more homogeneous, specialised and carefully selected participation than the general course, open to Co-operators of all age-groups and bearing all kinds of responsibilities, now offered by the International School. This would not necessarily displace but rather supplement the School which, over the last 30 years, has provided many hundreds of Co-operators with their first contact with International Co-operation and their first acquaintance with colleagues from other countries having similar interests to their own. Its influence in creating international understanding, especially amongst the younger officials of the National Movements, is still important and can hardly be replaced. Second, there is increasing recognition that studies of International Co-operation in the National Co-operative Colleges and Schools are not being carried to a high enough level for today's requirements. Very few have teaching personnel qualified to give instruction in International Co-operation. The time is near, perhaps has already come, when the I.C.A. must consider whether this need should be supplied by implementing the project of establishing a Permanent Training Institute attached to its headquarters in London which was on the point of realisation before the Second World War.

In the International Co-operative School, as it is at present organised and composed, there is continued experiment with different educational methods. The object is to maximise the active participation of the students in discussion and their opportunities of direct observation of Co-operative Institutions in the country where the School is held. Study visits increase in importance in comparison with lectures as means of gaining new knowledge, and the results become visible in keener questioning and discussion by the students.

The 28th School was held in Finland, on the joint invitation of the I.C.A.'s affiliated Organisations, from 7th to 18th July, 1958. The 59 students from 14 countries who took part included one from Japan and one from the U.S.A. The special themes, apart from International Co-operation and the Co-operative Movement in Finland, were Inflation and Automation and their consequences for Co-operative Policy.

The 29th School held at the invitation of Co-op Nederland at Nijenrode, near Utrecht, from 17th to 28th August, 1959, was attended by 66 students from 17 countries. Structural Changes in Western Co-operative Movements considered in their economic and democratic aspects, were the principal subjects of study.

The 30th School was held, on the invitation of the British Co-operative Union, at the Co-operative College, Stanford Hall, Loughborough, from 25th July to 5th August, 1960. Special attention was devoted to the Movement's financial and personnel problems in the light of present conditions.

STATISTICS.

The Statistics of affiliated Organisations have been circulated so regularly year after year that they seemed, for some time, not to receive the appreciation they deserve.

More recently the value placed upon them has noticeably been increasing within the Movement and without. At a recent Conference of Officers of International Governmental and Non-Governmental Organisations concerned with the Promotion of Co-operation, it was very gratifying to the Officers of the Alliance to realise the importance placed upon its Statistics as a reliable barometer to the progress of Co-operation in that section of the World Movement which its membership represents.

The results of the Secretariat could be better, however, if member Organisations collaborated more and improved their own records.

The Statistics are now prepared in 11 Comparative Tables covering - The Strength of the I.C.A.; Co-operative Penetration into Population; Membership and Trade of Consumers' Societies, Retail and Wholesale, of Agricultural Societies, of Fishery Societies, or Workers' Productive and Artisanal Societies; Miscellaneous Societies with Types and Membership; Membership of Building and Housing Societies; Credit Societies' Membership and Total Turnover; Co-operative Banks with the Importance of their Different Elements; Co-operative Insurance Societies - Insured Persons, Premiums Received, Claims Paid, Risks Covered.

Apart from the Statements which are circulated each year, the I.C.A. Library contains the more detailed statistics which were formerly published in a printed volume and go back to the year 1924.

INTERNATIONAL CO-OPERATIVE DAY.

In some of the older Co-operative Movements the Observance of International Co-operative Day, now in its 38th year, has tended to lose some of the finer spirit in which the Festival of International Co-operation was conceived and to acquire more the characteristics of a fête. It has, therefore, been inspiring to see with what reverence the Day is observed by some of the younger Movements in developing countries where Co-operators gather together to reaffirm their faith in the co-operative ideals and to acclaim the benefits which they enjoy from the practice of co-operative principles.

To the extent that information reaches the Secretariat, a lively account of the Observances is published in the *Review of International Co-operation*, but the stories could be much better if more Organisations reported upon their celebrations.

The Declaration of the I.C.A. is given good publicity in the Co-operative Press of most, but not all, of the member Organisations.

The theme of the Declaration has varied during the last three years but the longing for the establishment of lasting peace is always expressed.

In 1957, the Declaration stressed the importance of the unrestricted extension of Co-operation—

“ On the 35th International Co-operative Day, the International Co-operative Alliance, in the name of its affiliated Organisations and over 120 million Co-operators in 39 countries, declares —

That enduring prosperity and social well being can be attained through the unrestricted extension of Co-operation, both within and between nations;

That the hardships suffered by millions of under-nourished, under-housed, and under-educated men, women and children in the economically less-advanced countries can be lightened through the development, by the United Nations, of a world-wide system of mutual aid, within which the nations can share their technical, scientific, and material resources;

That the future of humanity can be assured and enriched if Governments turn from a policy of mutual menaces, with weapons of increasing terror and destructiveness, to peaceful collaboration in the employment of nuclear energy for human welfare.”

In 1958, the members of the Alliance were reminded of its needs in finance and technical skill for the Promotion of Co-operation —

“ The 132 million Co-operators in 43 countries enrolled today in the Organisations affiliated to the International Co-operative Alliance constitute a creative force for peace and social betterment without parallel in the world.

The common task of the members of the Alliance at this time is to work unceasingly to establish international peace on enduring foundations —

By constant pressure upon their National Governments, in accordance with the Resolution of the 1957 International Congress at Stockholm, to seek agreement on the total abolition of nuclear weapons and on universal disarmament, subject to international inspection and control, and to collaborate on the international plane in extending the peaceful uses of atomic energy;

By placing generous resources in finance and technical skill at the disposal of the Alliance for the promotion of Co-operation, not only as the most effective means of banishing poverty and exploitation from the less-developed regions of the world, but as the realisation of the Co-operative Ideal of Human Brotherhood."

Again in 1959, the needs of the people in the less-developed regions of the world were emphasised and an appeal on their behalf was made to the membership -

"All round the globe the many-sided development of Co-operative Institutions proves at once the need and the effectiveness of Co-operation as a means to economic well-being. Never were there so many Co-operators as there are today, never so many countries where Co-operation is being practised or promoted. Yet a thousand million men, women and children, under-nourished and under-educated, still live in squalor and insecurity in the less-developed regions of the world.

On the 37th International Co-operative Day, the International Co-operative Alliance, therefore, renews its appeal to its affiliated Organisations in 46 countries and their 140 million members -

To acknowledge, in a spirit of human solidarity which knows no frontiers, their duty to help their fellow men and women to liberate themselves from poverty and ignorance through Co-operative Self-help;

To increase the resources available to the I.C.A. for technical assistance to newly developing Co-operative Movements by giving generously to its Development Fund;

To support in every way possible the efforts of the I.C.A. to increase the scope and effectiveness of its Programme of Technical Assistance, so as to accelerate the emergence in the developing countries of Self-governing, Self-sustaining and Self-reliant Co-operative Movements, capable of fulfilling their proper rôle in national and world economy.

The Alliance is convinced that, in pursuing this task, it is making a practical contribution to the reinforcement of the Co-operative Movement and the Promotion of Peace throughout the world."

THE PROMOTION OF CO-OPERATION.

As the Report of the Central Committee to the Stockholm Congress envisaged, the promotion of Co-operation has become one of the most important, if not the most important aspect of the work of the Alliance, and during the last three years there has been a remarkable increase on the part of most National Organisations of awareness of the magnitude and urgency of the problem and of desire to assist in furthering the efforts of the Alliance.

It seems desirable to recall the text of the Resolution on the Promotion of Co-operation which was carried unanimously at Stockholm -

"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."

The Resolution was sent to all member Organisations asking for serious consideration to be given to the convictions of the Congress, which indicated the lines to be followed by the Authorities of the Alliance in the pursuit of the problem, and to its call for greater contributions to the Development Fund.

The United Nations and the Specialised Agencies concerned with the promotion of Co-operation were informed of the Resolution, with special reference to the appreciation it expressed of their contribution to co-operative development and the desire for more effective co-ordination between the work of Governmental and Non-Governmental Organisations and of the I.C.A.

The Auxiliary Committees concerned with trade, agriculture, banking and insurance were urged to give the fullest consideration to the appeal which the Congress addressed to them for the creation, wherever possible, of business connections with Co-operative Organisations in the lesser-developed countries.

The response of the member Organisations to the Development Fund is reflected in the statement on Page 35 of donations received during the last three years.

In addition to this a number of Central Organisations have launched national campaigns to raise funds for carrying out technical assistance projects independent of the Programme of the I.C.A. The valuable assistance which those national initiatives are giving will be appreciated by a study of Appendix IX to this Report.

As regards the co-ordination of the work of the United Nations and its Specialised Agencies with that of the I.C.A. in technical assistance, there has been some recent improvement which is reported in the next section of this Report.

In January, 1958, not only was the attention of the member Organisations focused upon -

The I.C.A. Conference at Kuala Lumpur

but also the high hopes of Inter-Governmental, Governmental and other Authorities in many countries.

The Conference was organised in accordance with the recommendation of the Technical Assistance Sub-Committee which the Executive approved, and had as its principal purpose to consider the setting up of an I.C.A. Regional Office.

The four-day Conference was opened on the 20th January by the Prime Minister of the Federation of Malaya, the Hon. Tunka Abdul Rahman Putra, and received addresses of welcome from the Minister of Agriculture and the President of the Co-operative Union of Malaya. Delegates attended from member Organisations in Australia, Ceylon, India, Japan, Malaya, Pakistan, from Central Co-operative Organisations in Burma, Indonesia and Singapore which have since been admitted to membership, also from the Co-operative Movement in Thailand. Outstanding personalities who accepted the invitation of the Alliance to be present included Chiefs of Government Departments responsible for the promotion of Co-operation in Burma, Malaya, Eastern and Western Pakistan, Singapore and Sarawak; a representative of the U.K. High Commissioner for Malaya; representatives of the I.L.O. and F.A.O. and of the I.C.F.T.U.

The I.C.A. delegation was led by the President, Mr. Marcel Brot, supported by Dr. Bonow, Mr. Barbier, Mr. Patel, members of the Technical Assistance Sub-Committee, Mr. Drejer as Agricultural Expert, Mr. Ashworth as Housing Expert, Dr. Kéler, who undertook the initial mission to South-East Asia, also the Director and General Secretary.

The first business of the Conference was to receive a statement by the Director upon the I.C.A. Plans and Policy, during the discussion of which the Alliance was urged to play a more definite and active rôle in the promotion of Co-operation in developing countries, while Organisations in the region not yet in membership were urged to affiliate at the earliest possible date.

On the morning of the second day reports were given on the Movements represented. The Conference then discussed with intense seriousness - Technical Assistance, its Objects, Forms and Methods, and afterwards the delegates divided into four Study Groups concerned with technical assistance in the sphere of Agricultural Credit, Marketing and Supply; Co-operative Retail and Wholesale Trade; Co-operative Housing; Education and Co-operative Unions.

In the groups, and subsequently in the discussion on their respective reports, many practical suggestions were made, a few of which may well be mentioned-

On Credit, Marketing and Supply - that help be given to improve market organisation, and that business relations with western countries be promoted.

On Housing - for more research in the region by Inter-Governmental Organisations, and assistance by the I.C.A. in providing study courses in Europe for officials of Asian Housing Co-operatives.

On Retail and Wholesale Distribution - facilities for training managers, committee members and salesmen; for greater understanding on the part of Governments of the rôle of Co-operation in the economy of their countries.

On Education and Co-operative Unions - that the educational programme of the Co-operative Movement should bring home to the public the possibilities opened up by Co-operation as a way of life.

At the last session the delegates were asked to give their views on the desirability, and necessity, of the early establishment of a Regional Office of the I.C.A. in South-East Asia; if it were necessary and desired, where should the Office be established.

Opinions expressed by representatives of the International Organisations on this question were particularly impressive, and all stressed the important work which such an Office could accomplish.

The result of the discussion was the unanimous opinion that a Regional Office should be established as soon as practicable, and that the choice of location be left to the I.C.A.

In reviewing the work of the Conference, the Director said one of its most useful results had been that, on the side of the I.C.A. and on that of the delegates, their ideas concerning their problems, and their solution, had become more definite. The discussion had revealed the enormous tasks to be undertaken, also the knowledge to be acquired in order to adopt correct policies. The Conference had also provided the Authorities of the I.C.A. with invaluable guidance for developing technical assistance activities.

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As part of the preparation for the Conference, member Organisations in the Asian countries through which the I.C.A. delegation were passing had been asked to arrange short programmes which would give the representatives of the Alliance

an opportunity to meet officials of the Movement, to visit Central Organisations and Societies, if possible meeting staff and members, also to meet Government officials concerned with the Movement.

In this way useful contacts and visits were made in Pakistan, both at Karachi and Lahore; in India at New Delhi – where some members of the delegation were received by the Prime Minister, Pandit Nehru – and at Madras; in Ceylon at Colombo; and at Singapore. After the Conference, visits to other Movements were made by individual members of the delegation in Thailand, Burma, Japan, in Bombay, and Israel.

From the point of view of first hand knowledge which they acquired of the work, the problems and needs of the Movements, these visits were of tremendous practical value, and everywhere the greatest satisfaction and pleasure were manifested at receiving a visit from the President and other leading representatives of the Alliance; equally great interest and appreciation was expressed for the plans of the I.C.A.'s Technical Assistance Programme on behalf of the Organisations in the region.

Action after the Kuala Lumpur Conference.

At the first meeting of the Technical Assistance Sub-Committee following the return of the delegation, the members discussed their considered opinions about the Conference and the action to be taken by the I.C.A. A letter was then sent to all the Organisations in the region telling them of the main lines of action envisaged and giving them the opportunity, if they desired, to submit alternative or additional suggestions for consideration. It expressed full agreement that all future action in the region must evolve, and projects develop, around the Regional Office, the establishment of which must have priority; that the conception of the Office was that it should serve all the purposes of the I.C.A. while having special responsibilities for implementing its technical assistance projects; it stressed the importance of developing autonomous Co-operative Unions in every country to be a link between the Regional Office and the Movements in the region, also between the Movements in the region and the other National Movements in membership with the Alliance, to act as promotion bodies and, with the help of the Alliance, to ensure the formation and training of leaders and workers for the Central Co-operatives and local Societies, to spread understanding of the true ideology of Co-operation.

The letter also announced approval, in principle, of the idea of organising an I.C.A. Seminar in the region in which all the Movements would be invited to participate and which would have as its theme "Co-operative Leadership in the S.E. Asian Co-operative Movements."

All the replies welcomed this letter, particularly the intentions regarding the Regional Office and the Seminar.

It was fully appreciated, on the side of the Alliance, that it would not be easy to find for the post of Regional Officer a man with the qualifications, experience, and personality which the Sub-Committee considered essential – but actually the biggest obstacle has been the conditions to be attached to the post.

In agreement with Mr. Patel – acting, the Committees believed, on behalf of the All India Co-operative Union – plans were provisionally made for the opening

of the Office in January, 1960, followed by the Seminar, but shortly after meetings of the Technical Assistance Sub-Committee and Executive at Nancy, May, 1959, Mr. Patel, in personal letters, announced his resignation from the Hon. General Secretaryship of the Union. Subsequently, though not officially, it was learned that the Authorities of the A.I.C.U. - its President, Executive and General Body - were not aware of the I.C.A.'s Programme, and in September a letter from an official of the Union requested that the Seminar be postponed until the end of the year, but expressed interest in the early establishment of the Regional Office.

For a long period after Mr. Patel's resignation, relations with the A.I.C.U. almost completely lapsed, and no replies were received to letters. On the 29th February, 1960, the Alliance was told that at a meeting of the General Body of the Union on 14th February, 1960, a new General Secretary was appointed in the person of Mr. V. C. Parashar, who has assured the Officers that the Union will do everything possible to be of the utmost help to the Alliance on all matters of mutual interest.

The Regional Office.

The Central Committee at Brussels, in September, 1958, received a full report on the Kuala Lumpur Conference, supplemented by personal statements from the members of the delegation, and the decision already taken by the Executive for the establishment of a Regional Office and the organisation of a Seminar on Problems of Co-operative Leadership in S.E. Asia was approved by a large majority.

In brief, the plans for the Regional Office are -

Functions - That it shall be conceived as serving the general purposes of the I.C.A. and not simply the requirements of the Technical Assistance Programme; shall contribute to the execution of I.C.A. policy in all its aspects, particularly the attainment by the Co-operatives in the region of a full measure of self-government and independence of external support; shall supplement the existing means by which Organisations are able to keep in touch with one another; shall give information and guidance on requests for technical assistance, and maintain contact with projects in the course of execution; shall carry out the administrative work required for combined action on the part of the I.C.A. and its members, for example the organisation of conferences, seminars, working groups, initiated by the Alliance; shall represent the Alliance in its relations with Co-operative Ministries and Departments of National Governments, and with International Organisations in the region.

Financing - That it shall be financed from the general budget of the I.C.A. and not from the Development Fund; that the costs in the first functioning year of the Office shall be estimated at approximately £20,000.

Location - That it shall be located in India, provisionally at New Delhi.

Staffing - That, in the first place, two Officers be appointed and one or two clerical assistants; the senior Officer to be called Regional Officer for South-East Asia.

On lines approved by the Committees, the Officers are completing the plans for the opening of the Regional Office towards the end of this year.

I.C.A. Educational Centre at New Delhi. As a result of discussions between the Technical Assistance Sub-Committee and the Board of Kooperativa Förbundet on the Swedish project to establish a Co-operative College for S.E. Asia at New Delhi, it has been agreed that the project in a modified form shall be implemented by the I.C.A.

Through its Technical Assistance Sub-Committee and Regional Office the I.C.A. will administer an Educational Centre in consultation with Kooperativa Förbundet, which has undertaken full responsibility for its financing, and with the Co-operative Organisations in the S.E. Asian region.

The preparatory work has been carried out by an official of K.F., who will become Director of the Centre.

I.C.A. Projects.

The outstanding project during the period under review was The Kuala Lumpur Conference which was, at the same time, the first project of a regional character.

The Seminar at Carcassonne, in October, 1958, was a regional project for Asia and Africa. Its 27 participants came from Ceylon, India, Ivory Coast, Madagascar, Morocco, Western Nigeria, Tunis, and France. The concept of this Seminar was that an intimate understanding of the work of Co-operative Societies, the benefits to their members, and their influence upon economic and social environment could best be obtained by studying them on a small scale in a limited area. The district around Castelnaudry was chosen as being rich in different types of Co-operative, also because, on account of the economic difficulties of the farmers, it had received considerable attention and assistance from Government. Discussions on the spot with leading Co-operators were essential to this concept and the study visits arranged were of the greatest importance. The Seminar was not only successful but was a useful and inspiring experience to those who took part.

The South-East Asian Seminar - The desire for this Seminar, also a regional project, was manifested by the delegates to the Kuala Lumpur Conference, and "Co-operative Leadership" was chosen as its theme because of the unmistakable evidence of the general lack of trained leaders in the region. The Seminar will take place at New Delhi from 14th to 27th November, 1960, and the Alliance has received assurance of the support of the Government of India, the Ministry of Community Development and Co-operation, also of the All-India Co-operative Union. Participants are expected from most, if not all, of the member Organisations in the region, and financial assistance is being given to three of them by UNESCO under its Exchange of Persons Programme towards the travelling costs of their representatives.

A number of other projects have been successfully carried out, including -

Jamaica. This project, started in 1956 when a British Co-operative Expert in Shop Management and Control, and Staff Training, was sent to Jamaica, was satisfactorily completed in 1960, by which time a Staff Training Officer had been appointed by the Jamaica Co-operative Union to carry on the work of the experts.

The gift of a tape recorder to the Union of Mauritius for educational work.

The gift of a mobile film unit to the Department of Co-operation in Burma for educational purposes.

The gift of a film projector to the Credit Union League, Grenada.

A Co-operative Housing Study Course in Europe for an official of the Malayan Federation of Co-operative Housing Societies, arranged and carried out with the collaboration of members of the I.C.A. Housing Committee.

A Co-operative Housing Study Course in Great Britain for an official of a Co-operative Housing Society in Eastern Nigeria.

A teaching training course at St. Francis Xavier University arranged for a co-operative official from Chile who, on his return, planned and supervised the carrying out of a programme of leadership training.

A study course on land settlement and reclamation, arranged in Israel with the help of Histadruth, for the President of the British Guiana Co-operative Union, who subsequently made a number of practical suggestions to the Government of British Guiana in connection with its scheme for land development by peasants grouped in Co-operative Societies.

I.C.A. Action in Latin America.

South-East Asia, it will be remembered, was one of the five chief regions of the world awaiting economic development on modern lines mentioned in the Report to the Paris Congress on Co-operative Development in Under-developed Countries, and when the Technical Assistance Sub-Committee recommended it as the first region for intensive I.C.A. action, it was clearly understood that, as soon as possible, similar action would be planned for another part of the world.

The Sub-Committee feel that that time has now come and have chosen Latin America as the second region.

The first step, as in South-East Asia, will be the sending of an expert to survey the co-operative field and to provide the I.C.A. with first-hand information on the co-operative situation in the different countries, the problems of the Organisations and their needs.

The Development Fund.

Contributions to the Fund since the Stockholm Congress -	£	s.	d.
*British Co-operative Societies	1,923	12	0
*Société Générale Coopérative, Brussels	1,428	6	0
Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne	254	12	0
Centrocoop, Bucharest	499	15	0
Glavni Zadruzni Savez, Belgrade.....	299	17	0
†Co-operative League of the U.S.A.....	2,541	7	0
Consumers' Co-operative Association, Kansas City	177	8	0
Nationwide Insurance, Columbus	3,555	15	0
Total Contributions received to date, and Interest	58,775	0	0
Total Payments out of Fund at 31.12.59	19,149	0	0

* 2nd Contribution.

† Annual Contributions 1958-59-60.

THE I.C.A AND THE UNITED NATIONS.

From the point of view of the I.C.A. and the Co-operative Movement in general, probably the most significant feature of the activity of the United Nations in the last three years is the increasing attention devoted to the needs and problems of regions where economic and social organisation is in rapid development on modern lines. In response to the insistent demands of the newly self-governing nations, yearly growing in numbers, the United Nations, through the Economic and Social Council, as well as the Specialised Agencies, have been obliged to provide an expanding volume of technical, financial and administrative aid. Along with this has gone increasing recognition of the value of co-operative organisation as a means of harnessing the community spirit, as well as the instinct of self-help, to the task of attaining higher standards of human welfare.

The representation of the Alliance has accordingly been less in evidence at meetings of the Economic and Social Council, the International Labour Conference and the General Conferences of F.A.O. and Unesco than in the more specialised meetings, such as those of the Regional Economic Commissions and their Working Parties where co-operative ideas and experience can be brought to bear on concrete problems. It is significant that in several fields – for example, housing, protection of consumers' health, community development, adult education – thought and action of the Co-operative Movement run on lines parallel to those of the International Governmental Organisations. This facilitates the interchange of information and collaboration between the Secretariats to their mutual advantage.

It is all the more to be regretted that the desire, expressed in the Resolution on the Health of Consumers passed by the Stockholm Congress in 1957, that there should be the fullest collaboration with W.H.O. and F.A.O. has been only imperfectly realised. While the I.C.A. was already in consultative status with F.A.O., its application for consultative status with W.H.O. was refused, owing to certain difficulties on the side of W.H.O.

On the other hand, the Alliance, along with several other Non-governmental Organisations already recognised in Category A by the Economic and Social Council, was admitted to consultative status by the International Atomic Energy Agency, whose headquarters was established in Vienna in 1957.

Continuous contact with U.N. headquarters in New York and Geneva is maintained by the permanent representatives, Mr. L. E. Woodcock and Dr. M. Boson, respectively. The French affiliated Organisations have given valuable assistance in representing the I.C.A. in Paris at Unesco meetings, and the Italian Organisations in Rome at F.A.O. meetings.

It is more difficult to maintain touch with the Secretariats of the U.N. non-European Regional Economic Commissions, located as they are at Bangkok, Santiago (Chile), and Addis Ababa, but the Alliance is indebted to affiliated Organisations in Argentina, Australia, Ceylon, India, Japan, Malaya, and Singapore for their willingness to appoint observers at various specialised meetings convened in their own countries by U.N. authorities.

U.N. Assembly and Economic and Social Council.

1. **Technical Assistance.** The Expanded Programme of Technical Assistance and the corresponding Fund, which are administered by the Technical Assistance Board under the supervision of Ecosoc through its Technical Assistance Committee, have shown a steady improvement in methods and results. While the available funds continued to increase slightly until 1960, experience has taught many useful lessons. Nevertheless, the Expanded Programme could never cover more than a fraction of the demand and for several years sustained efforts have been made to raise money for operations on a more ample scale. The first project, known as the Special United Nations Fund for Economic Development (Sunfed), was perhaps too ambitious and did not find adequate support. An alternative suggestion for a Special Fund, which would supplement the Technical Assistance Fund and provide the finance for more co-ordinated and far-reaching operations than the usual technical assistance project, was then brought forward and approved by the 13th Session of the General Assembly in 1958.

A special organisation under Mr. Paul G. Hoffman was created to administer the Fund. The first annual programme, approved in December, 1959, for execution in 1960 consisted of 31 projects for the assistance of 35 countries. It will be evident that some of these projects are regional in the sense of benefiting groups of neighbouring rather than single countries. The total amount contributed by member States was \$100 million. Partly in consequence, the amount subscribed for the ordinary Technical Assistance Fund has slightly declined in 1960. It is noteworthy that a considerable portion of the Special Fund is being expended on extensive surveys and investigations preliminary to long-term international investments. This important change of policy stems from the recognition that certain forms of technical assistance are effective only when conceived in the framework of long period programming.

2. **World Oil Resources.** For over a decade the view that the exploitation of the world's oil resources and the distribution of oil products were proper matters for international control and regulation has been strongly held by the Authorities of the I.C.A. Its first attempts, 12 years ago, to induce the Economic and Social Council to consider this group of problems were unsuccessful. In the autumn of 1958 the question was raised again in the Central Committee by Mr. Howard A. Cowden, on behalf of the International Co-operative Petroleum Association, with special reference to the Middle East, and a study was made by a U.S. expert on behalf of the I.C.A. and I.C.P.A. jointly. His report suggested action in the direction of an international commodity agreement regulating both prices and output, alongside direct operation of a concession by I.C.P.A. either alone or in a consortium.

The U.N. experts to whom this report was submitted for their observations pointed out that, since the problem of world oil production was constantly changing through the opening up of new deposits, it would be a mistake to concentrate exclusively on the Middle East. They were also sceptical of the value, and even the possibility, of an international petroleum agreement.

Nevertheless, the various U.N. Authorities, pursuing the normal development of their work, have inevitably encountered the oil problem. In December, 1958, the Economic Commission for Asia and the Far East held a symposium at New Delhi on the Development of Petroleum Resources in its region. In 1959, at the

28th Session of Ecosoc, the Venezuelan delegate called attention to the price of oil in world markets, restrictions on imports and collusion between producers and importers. The question of petroleum production in under-developed countries also came before the Economic Commission.

As it appeared that the I.C.A.'s original proposal for an international investigation of world oil resources might once again become topical, the Executive decided that the emergence of petroleum problems at U.N. level should be closely watched, all the more since the idea of an international consultative body for oil problems has been discussed by important economic journals.

3. Housing and Community Development. The Social Commission of Ecosoc and the Bureau of Social Affairs in the U.N. Secretariat have been increasingly concerned with two groups of problems which are closely related to Co-operation, namely housing and community development. On their visit to New York in April, 1959, the Officers of the I.C.A. had an opportunity of discussing these problems and exchanging opinions with members of the Bureau, which had been responsible for a number of technical assistance projects in community development and had actually recruited experienced Co-operators as experts. The growing recognition in every region of the world of the importance of good housing, possibly second only to nutrition, had drawn the attention of the Bureau to the contribution made by co-operative housing and it accordingly desired the collaboration of the I.C.A.

Subsequently, the Bureau invited the I.C.A. to compile and publish a brochure on the Rôle of Co-operation in Low-Cost House Building. As other brochures on Co-operative Housing were already in preparation, one of them for the I.L.O., the I.C.A. Housing Committee expressed the opinion that the International Governmental Organisations were not sufficiently aware of one another's plans and intentions and that their activities might be with advantage concentrated in a single agency. This opinion was conveyed to the Bureau of Social Affairs, the Economic Commission for Europe and the I.L.O.

The need for a co-ordinating body had already been recognised, however, by the constitution of the Inter-Agency Working Party on Housing and the preparation of a long-range programme of international action in the field of housing, to be implemented between 1961 and 1965. The U.N. Authorities were on the whole inclined to favour this method of collaboration more than a single agency.

In regard to community development, it was agreed by the I.C.A. Officers and the Bureau of Social Affairs that Co-operation and community development are distinct activities which cannot always be separated in practical work in the field. In the less-developed countries they have an important bearing on one another and should be carefully correlated.

4. Regional Economic Commissions. The more practical questions of economic and social development take the foreground, the more does the work of the Regional Economic Commissions of Ecosoc increase in importance, because it is in the regions that these questions are considered in concrete terms and resolved in terms of action. The working connection between the I.C.A. Housing Committee and the Housing Committee of the Economic Commission for Europe has been maintained, and Mr. L. Robert (France), who attends the meetings of the E.C.E. on behalf of the I.C.A., made a useful contribution to its studies of housing finance in 1958. The Economic Commission for Asia and the Far East

was contacted through its Secretariat when the I.C.A. Delegation visited Bangkok in January, 1958, and the Alliance has also been represented by observers at meetings dealing with electric power, petroleum resources, small-scale industries, and handicraft marketing, as well as at the 14th Session of the Commission itself.

While little contact has been possible in the last three years with the Economic Commission for Latin America, the decision of the Economic Commission for Africa to hold its 2nd Session at Tangier permitted the I.C.A. to be represented by the Director. The Commission adopted a resolution which recognised the importance of Co-operation for social progress in Africa, and instructed the Secretariat to carry out a survey of Co-operation throughout the continent as a first step to the consideration of establishing a centre or centres for Co-operative Training for Africans. The I.C.A. is one of the institutions to be consulted in the execution of this project.

5. **United Nations Children's Fund (Unicef).** Collaboration with Unicef on the production of a film on Co-operation in India, mentioned in the Report to the Stockholm Congress, was brought to a successful conclusion in 1958. The film, entitled "The Garden of Gujerat," and produced by the Film Division of the Indian Ministry of Information, is an impressive documentary and has received wide circulation. The regular representative of the I.C.A. is a member of the Steering Committee of the N.G.O. Committee for Unicef in New York.

International Labour Office.

Of all the Specialised Agencies of the United Nations, the I.L.O. is the one most comprehensively concerned with Co-operation and responsible for the greatest number of technical assistance projects for co-operative promotion. After the Sub-Committee on Technical Assistance had visited S.E. Asia, it seemed appropriate to arrange a meeting with the Director General and members of the I.L.O. staff. This meeting took place in April, 1958. The agenda covered most of the field of technical assistance, and discussion disclosed a considerable measure of agreement as to policies and methods, with the exception of the recruitment of technical assistance experts for co-operative projects.

In 1958, the I.L.O. published the 11th edition of its International Directory of Co-operative Organisations, the first since the second World War. To bring this indispensable work of reference up to date was an achievement of inestimable value to all concerned with co-operative development, especially since it revealed the astonishing extension of the Movement all over the face of the globe in the last 20 years.

Another I.L.O. activity to be welcomed was its initiative in the field of workers' education when it convened a Conference of Experts at Geneva in December, 1957. On the recommendation of the I.C.A., M. Ch.-H. Barbier was invited to the Conference and agreed to take part. The Conference drew up suggestions for a Workers' Educational Programme for the I.L.O. which included courses for instructors and discussion group leaders; the publication of text books and a manual on methods and techniques of workers' education; collection of visual aids; assistance to workers' organisations in carrying out educational programmes; collaboration with other international bodies with educational activities. Subsequently, the I.L.O. charged a Committee of Experts with the drafting of a constitution for an International Institute for Social and Labour Studies which was approved by the Governing Body in March, 1960.

The I.L.O. has also devoted much attention to housing problems during the last three years. The subject was first treated in a Preliminary Report which defined the problem of workers' housing, described methods of promoting it, discussed economic policy in relation to housing and reviewed international action in this field. The Governing Body then decided to place the question on the agenda of the International Labour Conference in June, 1960. The object in view was first to exchange experiences and second to consider the possibility of preparing an international "instrument" for adoption by the Conference in 1961. The I.C.A. Housing Committee was not entirely satisfied with the section on Co-operative Housing in the Preliminary Report and, with the approval of the Executive, a statement was presented to the Conference on behalf of the Alliance.

Food and Agriculture Organisation.

Two General Conferences of F.A.O. have been held since the Stockholm Congress. The first, in November, 1957, was notable for the prominence given to nutrition in a report on "The State of Food and Agriculture," which particularly emphasised the relation between low average incomes and malnutrition in any population, also that a rise in income did not lead directly to better nutrition unless consumers were instructed in food values. A statement presented on behalf of the I.C.A. pointed out the rôle of Co-operation in raising real incomes and its potential aid to Governments in carrying out policies of improved nutrition and consumer education.

The report on "The State of Food and Agriculture," submitted to the second Conference in November, 1959, gave figures illustrating the contrary tendencies of the prices the producers received and the prices the consumers paid for food. An I.C.A. statement pointed out, not only the value of Co-operation in resisting this tendency, but also the need for F.A.O. to concern itself more with the economics of nutrition or risk the frustration of much of its effort for technical progress. The statement went on to urge that F.A.O. should attempt to formulate standards which all its members should strive to attain by embodying them in international instruments similar to those by which the I.L.O. had raised labour conditions and the workers' welfare throughout the world.

During the period reviewed here the Director General of F.A.O., with the approval of the Conference, launched a World-Wide Campaign for "Freedom from Hunger," which is to reach its climax in a World Conference in 1963. Special efforts are being made to enlist the active interest of Non-Governmental Organisations, and the I.C.A. has been represented at meetings convened to discuss the most effective measures for arousing public interest and support.

The Fisheries Division of F.A.O., through its Economics Branch, has been active in spreading an understanding of the important rôle Co-operative Organisations can play in the fishing industry and in raising the standards of living of the fishing population. A successful Training Centre in Fishery Co-operatives and Administration for the Indo-Pacific area, held in Australia in December, 1957, and January, 1958, was followed by a Technical Meeting at Naples in May, 1959, at which I.C.A. affiliated Organisations, both Specialised Federations and general Co-operative Unions with Fishing Societies amongst their members, were represented at considerable strength. Dr. L. Malfettani presided. The recommendations of the Conference were altogether favourable to the development of

Co-operation, particularly for credit, the supply of boats, tackle, and requirements of all kinds, also for the marketing and processing of fish. On the invitation of the Fisheries Division, the I.C.A. Executive agreed to assist F.A.O. in publishing the valuable documentation assembled at the meeting.

Thanks to the initiative of F.A.O.'s Rural Institutions and Services Division, a Conference of International Organisations, Governmental and Non-Governmental, engaged in the promotion of Co-operation, especially in agriculture, was held in Paris in February, 1960. The general aim was to bring about closer and more effective collaboration, more especially in the solution of technical assistance problems. Representatives from F.A.O., I.L.O., I.C.A., I.F.A.P., and C.E.A. considered an agenda which began with a comparative study of their respective programmes for 1960-61, including studies and publications, seminars and conferences, travelling fellowships and expert missions, and ended with a discussion of the problem of governmental supervision of Co-operative Organisations and the evolution of state-sponsored Co-operative Movements towards self-government. The results of this Conference are likely to become visible in various ways, notably in the publication of one or more handbooks for Co-operators and visitors coming from developing countries to study various forms of Co-operation in the European countries where they originated.

U.N. Educational, Scientific and Cultural Organisation.

Adult education and the closely related problems of the exchange of persons from country to country, for study and experience of life and work in different environments, have been the chief fields of activity in which the I.C.A. and Unesco have collaborated during the last three years. In the first place, the support given by Unesco's Adult Education Branch to the Seminar on Agricultural Co-operation at Carcassonne in October, 1958, and, in particular, the grant which assisted Organisations in distant parts of Asia and Africa to meet the travel costs of their nominated students is gratefully acknowledged. Similar assistance is being given this year by the Exchange of Persons Division, under its exchange of workers scheme for Asia, to three Co-operative Organisations taking part in the I.C.A. Seminar on Co-operative Leadership at New Delhi.

In general, however, the I.C.A. in common with the International Federation of Workers' Educational Associations and other Non-Governmental Organisations in consultative status with Unesco, is not satisfied that the Unesco authorities assign to adult education and non-scholastic education generally a rôle commensurate with their importance. During the last few years, the draft programmes and budgets prepared in the Unesco Secretariat have displayed a pronounced tendency to restrict the operations of both the adult education and the exchange of workers' services and to reduce the corresponding budget allocations.

It was originally proposed to organise the World Conference on Adult Education in Canada in 1960 without convening either a preparatory meeting of the Consultative Committee on Adult Education, or a meeting subsequent to the Conference to assess its results and decide on lines of practical development. It has, therefore, been necessary before, and at, each successive General Conference to consult with NGO's and Governments most actively interested in order to mobilise support, less for the extension of these forms of Unesco activity than simply to maintain them.

At the General Conference held in Paris in November, 1958, approval was secured with an adequate financial grant for the World Conference on Adult Education, at which the I.C.A. will have a representative in addition to Mr. Ch.-H. Barbier, who has continued to serve as Chairman of the Consultative Committee on Adult Education. In the interval of over a decade since the last Conference, much has been learnt from experience and this year's Conference may well give a new impulse to adult education, not least in the newly-developing regions.

At the same General Conference, NGO representatives urged the extension of the Exchanges of Workers' Schemes, hitherto operative in Europe, Asia and Latin America, to Africa, also a scheme for inter-continental exchanges. In Europe, hundreds of Co-operators have benefited by these Schemes through organised study tours, the effects of which in creating mutual understanding can scarcely be over estimated.

The supplementary scheme for longer-term exchanges, which provided for residence and employment for periods of three months or upwards, lapsed at the end of 1958. Its success, which was remarkable on a limited scale, was achieved at the cost of considerable effort to overcome difficulties of organisation and the linguistic handicaps of the average co-operative worker.

The proposal to withdraw the European study-tours from the Programme for 1961-62 and to reduce the total allocation for workers' exchanges, even though Africa would be included, provoked strong reactions on the part not only of NGO's but also of certain Governments. The proposal will probably be withdrawn before the General Conference in the autumn of 1960.

International Atomic Energy Agency.

This important Specialised Agency set up its headquarters in Vienna in 1957. The question of consultative relations with Non-Governmental Organisations had been taken up during the period of I.A.E.A.'s constitution by a number of those admitted to Category A by the Economic and Social Council. The regulations for consultative relations formulated by Ecosoc were taken as a model and eventually, with certain modifications, adopted. The I.C.A. was admitted to consultative status in May, 1959, and Dr. A. Vukovich, its representative at meetings of the Agency in Vienna while provisional arrangements were in force, willingly consented to continue on a regular basis.

In 1959, I.A.E.A. convened a meeting at Monaco to discuss the risks involved in the disposal of radio-active wastes. In view of the importance of this problem for public health and the opinions expressed at the I.C.A. Conference on the Health of Consumers at Garmisch-Partenkirchen, it was represented at Monaco by Mr. P. Lacour. At a Conference on the use of radio-isotopes in industry at Copenhagen in September, the I.C.A. will be represented by a scientist from the laboratory of the Danish Wholesale Society.



This section of the Report may appropriately conclude with one general reflection prompted by the experiences mentioned, both positive and negative. Although the opportunities for the I.C.A. and other Non-Governmental Organisations to collaborate with the United Nations and Specialised Agencies tend to increase, it is evident that greater possibilities remain unexplored. To seize them all, the I.C.A. will need a larger personnel for the study of U.N. affairs and consequent action than it has been able to afford hitherto. But it is also true that the Inter-Governmental Organisations are still prone to think and act too exclusively on governmental lines and lose sight of the peoples behind the governmental structure.

The Non-Governmental Organisations can do much to restore the balance, as in the case of Unesco policy on adult education, if they can rely upon the active support of their national affiliates and the co-ordinated efforts of the latter to induce their respective Governments to adopt enlightened policies. By this means, the inter-governmental authorities could be helped to increase the effectiveness of their work by operating to a greater extent with and through the consultative Non-Governmental Organisations.

THE I.C.A. AND INTER-GOVERNMENTAL ORGANISATIONS.

Organisation for European Economic Co-operation.

Relations have been maintained chiefly by correspondence and exchange of documentation with the European Productivity Agency which operates under the aegis of the O.E.E.C. Its researches and sessions for the exchange of experience in such subjects as agricultural marketing, organisation of distribution, restrictive business practices, resale price maintenance, are exceedingly useful as sources of information and ideas.

Organisation of American States.

Correspondence and exchanges of documentation with the co-operative expert in the Division of Labour and Social Affairs of O.A.S. have provided valuable information about the situation and problems of Co-operative Organisations in the countries of Central and South America in which the I.C.A. has as yet no affiliates.

Caribbean Commission.

The I.C.A. was represented by its correspondent for the Caribbean at the Conference convened by the Commission at Curaçao in November, 1957, when Co-operative Development was the principal question on the Agenda. An important result of the Conference was the decision to appoint a Co-operative Specialist to the staff of the Commission, and the subsequent appointment of the former Commissioner for Co-operative Development of Malaya. A second Co-operative Specialist was appointed in 1959. Both of these Specialists, whose assignments terminate in the autumn of 1960, have given valuable guidance and stimulus.

South Pacific Commission.

In July, 1958, the Commission convened a Conference at Port Moresby, attended chiefly by Government Co-operative Officers from the various islands and archipelagos extending across the Pacific. The Commission's Co-operative Officer collects information about the progress of the Movement in its area for a bulletin which is the I.C.A.'s chief source of information on the subject.

THE I.C.A AND OTHER NON-GOVERNMENTAL ORGANISATIONS.

The International Non-Governmental Organisations with which the I.C.A. maintains an exchange of publications and information, with occasional consultation and collaboration, are chiefly those in Category A consultative status with the United Nations or one of the Specialised Agencies. The subjects of consultation are almost entirely problems of co-operative development, economic events with a bearing on co-operative policy, or the relations of NGOs with Inter-Governmental Institutions.

International Chamber of Commerce.

The I.C.A. is normally represented at the Biennial Congresses of I.C.C., the sittings of its Group Conference on distribution, production and advertising being of special interest as a source of up-to-date information on the evolution of distributive trade and its techniques. The Commission on Distribution and its various sub-committees and working groups, which meet usually about twice a year, are regularly attended by Mr. Ch.-H. Barbier on behalf of the I.C.A.

International Federation of Agricultural Producers.

The increasing interest of I.F.A.P. in the promotion of Co-operation in the developing countries, which at this stage must be largely agricultural, has led to the recognition that more systematic consultation with the I.C.A. and, possibly, the adoption of common attitudes on important questions are necessary. Discussions between Dr. Bonow and Mr. Drejer on behalf of the I.C.A. and Professor Svärdestrom and Mr. R. Hewlett on behalf of I.F.A.P. resulted in the formulation of a statement of common aims and procedures which can serve as a framework for concerted action in the future. It was agreed on behalf of both Organisations to discuss their planned activities in their preparatory stages and keep each other informed of progress and results; make joint representations to United Nations and Specialised Agencies on the promotion of Co-operation in developing countries; organise joint seminars and study courses; and act together in calling attention to the fundamental conditions for co-operative development which must be assessed by National Governments.

OBITUARY.

As the years pass it is inevitable that the hand of death removes outstanding Co-operators, as well as many who have served the Movement in less conspicuous ways, from the ranks of the militants.

While the Movement is the poorer for their passing, it has undoubtedly been enriched by their devoted services.

In honouring the memory of all who have died during the last three years, the Congress especially remembers -

Mr. Reginald Gosling, member of the I.C.A. Central Committee and Executive, and a Director of the English C.W.S., who died on 17th July, 1958.

Mr. Robert Deans, member of the I.C.A. Central Committee and successor to Mr. Gosling on the Executive, also a Director of the English C.W.S., who died on 19th December, 1959.

Professor Mario Casalini, an animator and member of the International Committee on Agricultural Co-operation, former member of the Executive of Lega Nazionale delle Cooperative, who died in April, 1959.

Mr. J. B. Sipido, formerly a member of the Board of the International Co-operative Trading Agency, Commercial Director of Société Générale Coopérative, Brussels, who died on 22nd August, 1959.

Mr. Olaf Meisdalshagen, nominated to the Central Committee in 1959, President of the Norwegian Co-operative Union and Wholesale Society, who died on 21st November, 1959.

Mr. Charles Grouard, member of the I.C.A. Banking Committee, former Director, Financial and Administrative Department of Société Générale des Coopératives de Consommation, Paris, who died on 29th April, 1960.

Dr. Toyohiko Kagawa, member of the I.C.A. Central Committee, President of the Japanese Union of Consumers' Societies, who died on 23rd April, 1960.

Mr. Donald Dow, member of the I.C.A. Central Committee and successor to Mr. Deans on the Executive, President of the Scottish C.W.S., who died on 17th May, 1960.

Dr. Henry Everling, member of the I.C.A. Central Committee, former Managing Director of Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften, Hamburg, who died on 19th May, 1960.

Mr. Paul Pentzien, member of the I.C.A. Central Committee, former Manager of the German C.W.S. and member of the Board of the German Central Union, who died on 11th July, 1960.

MARCEL BROT,
President.

W. P. WATKINS,
Director.

G. F. POLLEY,
General Secretary.

Discussion on the Report of the Central Committee

The President: I submit to Congress the Report of the Central Committee on the work of the I.C.A., 1957-1960. In doing so I should like to call attention to a new paragraph which has been added to Standing Order 14 as the result of an incident which took place at the Stockholm Congress, which showed that there was a divergence of view in the interpretation of the Standing Order with respect to amendments. This new paragraph is to be found on page 11 of the Agenda and reads as follows:

“ Any amendment proposed in the course of the discussion shall be referred to the Congress Committee which shall decide whether the amendment shall go before Congress, and, if so, at what stage in the proceedings. If the amendment is accepted by the Congress Committee it shall be distributed to the delegates before it is discussed.”

That has clarified the method which we must adopt, a matter which gave rise to a certain amount of conflict at the last Congress.

We shall now discuss the Report of the Central Committee, taking it page by page, and I ask the speakers to send in their names to me at once, because in order that our deliberations may be conducted in an orderly fashion, we shall need to know beforehand the names of those who intend to speak, and the item on which they wish to address the Congress.

INTRODUCTION

The Chairman: Mr. Smrcka of Czechoslovakia has sent in his name to speak on page 14 of the Report, the Introduction.

Mr. L. Smrcka, Czechoslovakia: Before we discuss the different problems relating to the activity of the I.C.A. which are mentioned in the Report which has been submitted to us, I wish to say a few words about the Report in general. The Congress of the Alliance is the supreme authority of the Co-operative Movement throughout the world and meets every three years to evaluate the work done in the period since the previous Congress and the contributions which have been made to Co-operation and to the solution of certain grave problems in the struggle for progress and world peace. Co-operators hope at the same time that the Congress of the Alliance will show further perspectives for development and will take the necessary measures for the extension of Co-operation at the international level, corresponding to the interests and wishes of co-operators and simple people throughout the world.

Can it be said that the Report which we have before us today meets all the demands which we might make on it, even if we judge it with indulgence? I feel that we must reach the conclusion that the Report itself and the activities of the I.C.A. fall short of the perfection for which we might have hoped. Why is this so? It does not result from any accident; it is the logical outcome of the constant efforts which have been made by certain circles in our Co-operative Movement which seek to prevent the Alliance from becoming a really world-wide organisation and which do not wish to permit the membership of all co-operative organisations which comply with the requirements laid down in the Rules of the Alliance, without taking into account the type of social structure prevailing in the different countries.

This situation is also the outcome of the discriminatory policy applied in the last few years against co-operative organisations not merely of the socialist countries but also of those developing countries which have recently freed themselves from the yoke of colonialism and have begun their independent development. The Report before us clearly shows that in recent years the I.C.A. has tended too often to confine itself to problems of secondary importance and has failed to seek solutions to the really important problems which concern us. Again and again arguments have been put forward in an attempt to make it impossible for certain co-operative organisations to be members of the Alliance, instead of paying serious regard to the various forms and methods of development of national Co-operative Movements. The Report also contains proposals which would authorise the leading circles in the Alliance to pursue their present policy, which is not a correct policy but which is undemocratic and unco-operative and greatly resembles the policy of certain imperialists in international relations.

For these reasons I ask the delegates to give exceptional attention to the discussion of this Report on the activity of the Alliance in the past three years, and, above all, to the proposals in it which would hinder understanding between co-operative organisations and which are an obstacle to major international co-operation. In the interests of such co-operation it is necessary to ensure that the hundreds of millions of co-operators who are joining with the progressive forces in their countries to ensure a better future for all humanity are not excluded from the Alliance.

The President: There are very many speakers on my list, and I shall have to pay strict regard to the Standing Order which says that the time allotted to each speaker is five minutes, with the exception of those who propose motions, and that delegates may not address the meeting on the same subject more than once. I shall very rigidly apply these provisions, or we shall never finish the debate. We have the great difficulty that when, as has just happened, a speaker uses a language which is not one of the official languages, the time which he occupies is automatically doubled. I hope that those who do not speak an official language will appreciate the position and be as brief as possible.

Mr. C. Mateesco, Rumania: In the Introduction to the Report of the Central Committee it is stated that:

“ The three years since the 20th Congress of the International Co-operative Alliance at Stockholm have witnessed scientific and technological achievements without parallel in human history. These achievements . . . have done little directly to increase the security of livelihood and wellbeing which are all that millions of humble people ask from the community. On the contrary, they have

served only to sharpen men's sense of insecurity, for they have been accelerated, not only by friendly collaboration and emulation amongst scientists, but in a great measure by political animosity and fear of being outclassed in the contest for world power."

We feel that this part of the Report is incomplete and may lead to confusion, since it is not stated here that the insecurity to which the Report refers is due to aggression and the tactics of the cold war, particularly in the case of the U.S.A., which is not interested in the decrease of international tension but tends rather to speed up the armaments race and rejects the concrete proposals repeatedly put forward by the Soviet Union and other socialist countries with regard to full disarmament, which are warmly welcomed by all people who love peace. There is no doubt that in a world conflict terrible armaments of mass destruction will be used, based on the utilisation of atomic energy.

The President: I must ask the speaker to confine himself to what is said in the Introduction, which he is supposed to be discussing, and not to deal with general considerations.

Mr. C. Mateesco: If the scientific progress which has been so extraordinary in our century were placed at the service of the wellbeing of man and not used to further the creation of means of destruction, there would be unlimited possibilities for the creation of abundance of goods and the satisfaction of the needs of man. That is why all the people everywhere support the initiative taken by those Governments and non-governmental organisations, which do not spare their efforts in trying to find ways and means of achieving peaceful coexistence on the part of countries which have different social institutions. We must condemn all the more, therefore, the aggressive circles in certain capitalist countries which do not take into account the wish for peace of the people in their country and which brought about the failure of the Summit Conference by espionage flights over the territory of other states. All this will strengthen the conviction of co-operators that it is general and full disarmament as well as the extension of international co-operation which will form the safest means for bringing about a lasting peace, which is what humanity wants. We have today reached a stage where it is essential that between all countries, whatever their social system, there must be co-operation in all fields.

It is also stated in the Introduction that in the period since the 20th Congress progress towards self-government and national freedom has continued to be made by peoples who had long been in a state of dependence, and this has continued at an increasing pace. Colonialism is obsolete and is a scandal in the life of the world today. If it were done away with this would help to open the door to social progress and economic development in all branches of activity in the freed countries.

The President: I must ask the speaker to stop at this point, because he has very considerably overrun his time. I would add that we seem to be faced with an obstructive manoeuvre, because I have three requests to speak on the same subject from the Czechoslovak delegation. It seems to me that that delegation should ask one of its members to speak. We cannot hear several members from the same delegation, and the more so in the case of delegates whose time is lengthened by the necessity for double translation. I will call on one of our Czech friends when their delegation has chosen one member to represent them and not three. (Applause.)

No-one has asked to speak on page 15, and so we will pass to page 16, Eligibility for Membership.

ELIGIBILITY FOR MEMBERSHIP

The President: In connection with this section of the Report we are to consider the resolution submitted by *Centrosoyus* which is to be found on page 59 of the Agenda and which deals with membership of the I.C.A. By taking that resolution in connection with this section of the Report we shall be able to deal with the question of eligibility at one time, and not on two separate occasions.

Mr. P. A. Kabanov, U.S.S.R.: I submit that there is no justification for the President's statement that only one member of each delegation will be allowed to speak on a given subject. We have in this Congress 30 delegates from the U.S.S.R., all of whom are entitled to intervene.

On the subject of Eligibility for Membership, it is well known that at this meeting of the Congress there has been an appeal made by the consumers' co-operatives from East Germany, asking Congress to give an instruction to the executive bodies of the Alliance to examine the demand of the Co-operative Movement of East Germany for admission to membership. Article 33 lays it down that one of the duties of the Executive is to admit new members, while under Article 29 the Central Committee deals with appeals. Despite the fact that the Consumers' Co-operative Union of the German Democratic Republic has more than once made a request to the Alliance for membership, so far these requests have not been examined as to their substance, and I claim that this is an infringement of the Rules of the Alliance. The Consumers' Co-operative Union of Germany fully complies with the terms of Article 8 of the Rules, and the admission of this German organisation to the Alliance would serve to strengthen the unity of the International Co-operative Movement. That is why the *Centrosoyus* delegation wishes to call the attention of Congress delegates to several factors which characterise the Co-operative Movement in the German Democratic Republic which, as I have said, complies with Article 8 of the Rules.

Article 8 says:

"Associations of persons or co-operative organisations which observe the aims of the I.C.A. and the policy laid down by its Congress shall be eligible for membership of the I.C.A."

The Consumers' Co-operative Union of the German Democratic Republic is a true co-operative, and it is stated in its rules that its objects are to improve the work of co-operative societies and so on. The eligibility of this organisation of German consumers is shown not only by the text of its rules but by the nature of its practical activity. In the past eight years its turnover has increased four-fold and its shops have doubled in number. Article 8 states that one of the criteria of eligibility is voluntary membership. The rules of this German co-operative organisation state that membership is voluntary. Article 8 mentions as another criterion "democratic control assured by the election of the administrative organs of the association by the members freely and on the basis of equality." This is assured by the rules of this German organisation, which makes detailed provisions to this effect. It is also provided that each member of the organisation is entitled to receive a rebate, which corresponds to the provision in Article 8 of the Rules of the Alliance with regard to the distribution of surplus.

Mr. Klimov, the Vice-President of the Alliance, has expressed the view that the co-operatives in the German Democratic Republic are very well administered and that their co-operation would be useful in further improving the work of the

I.C.A. I was present at the 4th Congress of co-operative organisations in democratic Germany, and on the basis of what I saw there myself I can assure you that the co-operatives of the German Democratic Republic are true co-operatives which are playing a democratic part in that country.

The President: The speaker has objected to my statement that only one member of a delegation should speak on the same subject. I would point out that we have in this Congress more than 150 representatives from Great Britain, and there are some 60 representatives from France. If several members of the same delegation could speak, it would be impossible for the Congress to function. In making the statement which I did I was basing myself not on the Rules of the Alliance but merely on commonsense. It is impossible for a delegation to send in the names of three speakers to deal with the same page of the Report and the same subject; that is quite absurd. I hope that you will all be reasonable, or I shall be forced to be really authoritative and brutal in cutting the speakers short.

I have just heard of a proposal for a reasonable settlement. Our friend Mr. Klimov, who has submitted the resolution on page 59 of the Agenda, is entitled to speak for 10 minutes. He has asked me for 15 minutes, with the proviso that no other delegate from the U.S.S.R. will speak on this subject. I now call on Mr. Klimov.

Mr. A. P. Klimov, U.S.S.R.: The question of the admission of members to the Alliance has been under active consideration by the Executive and the Central Committee ever since 1948. A great deal of time has been devoted to this subject, time which might have been utilised more profitably in dealing with other topical problems. In spite of this, not only has no progress been made in dealing with the problem of membership and of widening collaboration and strengthening the unity of the International Co-operative Movement but, on the contrary, there has been a retrograde movement which has tended to result more and more in an impasse. The resolution submitted to Congress by the majority of the Central Committee involves a further retrograde step.

There are forces at work in the I.C.A. which seek to divide the International Co-operative Movement into three parts: the Western co-operatives, the co-operatives of the socialist countries, and the co-operatives of the African and other developing countries. A distinction is sought to be made between what are described as "genuine" co-operatives and those that are said not to be "genuine." The Western co-operatives, it is said, are genuine and those of the socialist countries are not. I wish to point out that the co-operative movements called "genuine" have a total of only some 90 million members, whereas the others have a total of over 600 million in countries with a population of two billion human beings. A good deal is made of the voluntary character of co-operatives, and it is said that only in Western countries is there a voluntary co-operative movement. We cannot accept this statement.

We want to see peace established in the world, but how can we promote world peace if we cannot establish peace among ourselves? That is a very important problem. The world is in a state of evolution. The character of the Co-operative Movement and its functions must depend to some extent on the economic and social conditions of the country in which it operates and develops. It has an influence on the economic and social conditions of the country concerned and is in turn influenced by them. The value of the Co-operative Movement does not lie only in the fact that it supplies necessary goods at lower prices and pays a dividend

to its members but also in the help that it gives to the workers in other ways. Everything possible should be done to see that the Co-operative Movement remains linked with the general workers movement, but in Western countries we find in the co-operative press frequent references to the apathy of co-operators; they do not have any great influence on the work of co-operatives, they no longer attend the meetings and they buy less in co-operative shops. In America it is stated that only 0.5 per cent of the members attend the general meetings. In the report of the Independent Commission on the Co-operative Movement in Great Britain, it is stated that only 1 per cent of the members attend the meetings and only 2 per cent vote in elections. The Co-operative Movement in these countries, therefore, cannot play its part among the progressive forces of the country, although in some countries, such as Italy, the co-operators are trying to fight for their livelihood, in spite of all the difficulties with which they are faced.

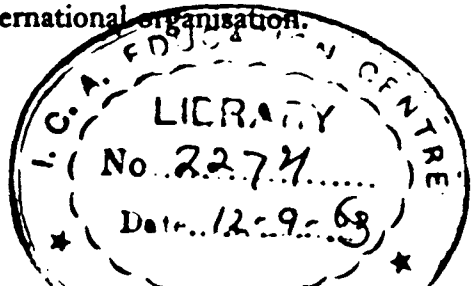
We feel that co-operatives in all countries have a great deal in common and that they can and should act together in the International Co-operative Alliance. It is obvious that the International Co-operative Movement must act in unity in order to defend the interests of consumers and the rights of workers. In addition to this they have to strive to spread Co-operation throughout the world, to propagate co-operative principles and methods and to help co-operative movements in countries newly freed from colonialism. These aims are common to all of us, to the co-operatives of the West just as much as to the co-operatives of the socialist countries. In the Co-operative Movement there are ideological differences, but that should not be an obstacle to the collaboration of all co-operators in the solution of the problems which face the movement.

The Alliance, according to its Rules, is not a union of people having the same set of ideas; it regards Co-operation as neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common. The I.C.A. does not associate itself with any political or religious organisation. Its purpose is to serve Co-operation. That is why it is necessary to get away from these political divergencies. We must not concern ourselves with the political views of members of the Alliance; what we have to do is to devote ourselves to the study of our tasks and to do our co-operative work together. We have a great deal of work in common as between co-operators of the West and the East and the developing countries of Asia, Africa, and America. There are problems which are common to all co-operators throughout the world, whatever political views they may hold, and even though our political views differ.

That is why *Centrosoyus* has submitted to the Congress the resolution on membership of the I.C.A., which is on page 59 of the Congress Agenda and Reports, for consideration, as the President has said, at the same time as the proposals of the Central Committee. Our resolution says that there is room in the I.C.A. for all national co-operative organisations "whose aims and objects comply with the Rules of the I.C.A." and "irrespective of the political and social structure of the States to which they belong." Naturally the antecedents of any co-operative organisation applying for membership must be checked, but we want to do away with the political discrimination which exists at present; we have to adopt a co-operative point of view and not one of partisanship. We cannot divide the world co-operative movement into different ideologies or political ideas. The I.C.A. is the body in which co-operators from all over the world should be able to collaborate and work together under the aegis of this international organisation.

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Who can be opposed to the resolution which *Centrosoyus* presents? Only those who do not want unity and co-operation in the world co-operative movement and who, from political motives, are in favour of discrimination against the co-operatives of the socialist countries as well as against the co-operatives of those countries which have recently freed themselves from the colonial yoke. That is why we are opposed to the proposals of the majority of the Central Committee, because they are directed against unity and collaboration in the International Co-operative Movement and in favour of discrimination against organisations from the socialist countries and from the newly-freed countries.

I ask you to remember when the opposition to the membership of these countries began. It was in 1947-48 that this question began to be discussed, at a time when the forces of socialism won a victory in a number of countries in Europe and Asia and regimes of popular democracy were set up in these countries. It was at that time that the campaign against the Co-operative Movements in socialist countries began. The object of the State in socialist countries is to raise the cultural and material standards of the people, and the interests of co-operation are exactly the same. Co-operation in socialist countries has, of course, the complete support of the State, but in spite of this support the Co-operative Movement does not abandon its principles, while being given everything it needs to ensure its harmonious development.

We find that those who are opposed to the co-operative organisations of the socialist countries do not conceal their true motives but state openly that the admission of the movements of the socialist countries, with their enormous numbers of members, would mean that they would take over entirely the guidance and direction of the I.C.A. That is the motive of the movements in the Western countries. They do not want to admit the movements of the Eastern countries not because there are not genuine co-operatives but because it would mean that the Western movements would lose the majority which they have at present. This, however, has nothing at all to do with the principles of Co-operation. That is why I think that a representative of the Royal Arsenal Society in Great Britain was right when he said that the co-operatives of the socialist countries are refused admission because the Central Committee does not like the policy of their countries.

This is not Co-operation; it is a policy of force, of strength, which has nothing to do with co-operative principles. What can be achieved by such a policy? Can it really arrest the triumphant advance of socialism? Can it change the political structures of countries which those who support it do not like? Nothing will change them! It is not possible to do so. How is it possible to discriminate against the movements in the developing countries of Asia and Africa? It is a discrimination against them to make them only associate members. This type of discrimination is detrimental to the world co-operative movement because it weakens its strength and unity. That is why we ask Congress to examine this question with very great attention.

Let me conclude by saying this. If you are not in agreement with our resolution, and if we cannot support the proposals of the Central Committee, then let us give some more thought to this question and not be in a hurry. Let us try to find ways and means of maintaining the unity of the Co-operative Movement all the world over, which is the one thing of concern to us all.

Dr. M. Bonow (Vice-President, I.C.A.), Sweden: The question which is now before us is not by any means a new one, and Mr. Klimov in his speech has hinted at that fact. I wish to remind you very briefly of what has taken place so far as the

membership question is concerned. As Mr. Klimov has said, it was seen soon after the war that a number of Co-operative Movements from countries with an economic order such that the Communist Party controlled the State apparatus asked for membership of the Alliance and showed such high figures for their own membership that it was obvious that if all these requests were granted it would mean that the organisations from countries of this type would have a majority in the I.C.A. In this respect certain experience had already been gained in the world trades union movement, where the organisations from the Communist countries had, because of their very high membership, taken control of the world trades union organisation, and this had meant that this organisation was used for world political declarations containing the same principles as those advocated by the Soviet Union and other countries of the Soviet bloc. The result we know. It became necessary for the democratic trades union movement to leave this world organisation and form a new body, the International Confederation of Free Trades Unions, so that there are now two international organisations in this field. It was quite clear to co-operators of the West that a similar thing could happen in the International Co-operative Movement, because experience at the Prague Congress in particular showed that the Congress of the Alliance could be used for making strongly political partisan speeches. It may be recalled that one of the most commonly used words at that time was "warmongers," which was the accusation thrown at co-operators of the West.

That is the background against which it became necessary to make it clear, through an interpretation of the Rules of the Alliance, what was meant by a genuine, free and voluntary co-operative enterprise. This was formulated in the Policy Sub-Committee and was endorsed by the Executive in November, 1949, at Paris. An appeal against the decision of the Executive was made by the Soviet co-operators and others, and the matter was dealt with by the Central Committee at Helsinki in 1950, when by a majority the Central Committee endorsed the view of the Executive. An appeal was then made to the Congress at Copenhagen, which took place in September, 1951, and that Congress decided by a very large majority to reject the appeal. The debate went on, and ultimately the question came, via the Executive and the Central Committee, the whole process being repeated again, to the Paris Congress in 1954. The Paris Congress confirmed by an overwhelming majority, just as the Copenhagen Congress had done, that these principles should be upheld.

Later there took place the tragic events in Hungary, in 1956. These caused very heated feelings, and some co-operative organisations contemplated withdrawal from the I.C.A. if the I.C.A. did not become a body for free and voluntary co-operative movements only. There was a Dutch and Swiss motion to that effect. The Scandinavian delegations came together and tried to find some way to avoid a split, and a Scandinavian motion was brought before the Congress at Stockholm in 1957 and was adopted. It meant that the whole question should be studied by a special committee, and on that special committee Mr. Klimov and I, and a number of other representatives of different phases of opinion, worked in order to try to find a solution.

I do not want to go into details about the work of that sub-committee, but there were three possible courses proposed: (i) what I may call the Soviet line; (ii) the line which had been advocated by the Dutch and Swiss co-operatives, and by the West German co-operatives, after the events in Hungary; and (iii) what was called

the *status quo* line. It was soon found during the discussions that it was not possible to get agreement even on very small modifications in either direction of the *status quo* line, and that if we were to avoid a split within the I.C.A. we had to keep to the *status quo* line. That is what is now before Congress as a majority report of this special committee, which has been endorsed by a majority in the Executive and further endorsed by a majority in the Central Committee. It is now put before Congress on page 17 of the Agenda and Reports. It is a summing up of the prerequisites of what I would call peaceful co-existence between co-operative movements representing quite different economic and social systems within the Alliance as it is at present. I do not need to read the recommendations; you have them before you.

Mr. Klimov has tried to interpret this recommendation as worsening the position within the I.C.A. I can assure you that in fact it simply describes the actual policy of the *status quo*, which has been the only means found so far of keeping this organisation together and avoiding having two international co-operative alliances, on the lines of what happened in the trades union movement. I may add that Mr. Klimov himself prevented any small compromise departure from the *status quo* line during the work of the committee by declaring explicitly that on questions of principle one does not compromise. That is the position at the moment.

I wish to end my survey by moving the adoption of this part of the Report of the Central Committee, dealing with eligibility for membership, and to do so on a more positive and hopeful note. I was very glad to hear Mr. Klimov emphasise – I took this to be his meaning – that irrespective of how the vote should go (and there is, I believe, every chance that the decisions of two earlier Congresses will be upheld by this Congress), it would be useful for us to shift the emphasis from world political issues so far as possible, because these are and are bound to be very controversial, towards co-operative matters properly so called. I agree with him 100 per cent when he says that there is scope for an exchange of technical experience and technical know-how and for closer trade relations between the co-operative movements all over the world, quite irrespective of their different economic and social systems. Let us keep to this constructive task and avoid so far as possible world political issues; let us try to do a co-operative job, and then we can have for the future a still more efficient and extended exchange of technical know-how between all the movements now in membership of the I.C.A.

The President: Dr. Bonow is the last speaker on this subject this morning. I now close the list of those who wish to speak on the subject.

Close of First Session.

SECOND SESSION.

Monday Afternoon.

Discussion on the Report of the Central Committee

(continued).

The discussion on the Report of the Central Committee on the question of eligibility for membership was continued.

Mr. P. P. Takov, Bulgaria: Bulgarian co-operators were very surprised to see the recommendations of the Sub-Committee, which mean that co-operative organisations in the socialist countries cannot find a place within this organisation and that the I.C.A. is no longer to be a world organisation of co-operatives. It appears that co-operatives in the socialist countries are not regarded as free and genuine co-operatives and as worthy of admission, but all our co-operatives are inspired by the principles of Rochdale, mutual help and the improvement of the standard of living of the people. Must we regard as utopian the hope of the Rochdale pioneers to establish a world-wide co-operative union taking in co-operatives all the world over? The proposals of the Sub-Committee are not constructive and constitute a retrograde step.

Article 14 of the Rules creates the category of associate member. The people of many countries who suffered from imperialism for centuries have now won their independence and we must support them. We note that under Article 14 only four organisations have been admitted as associate members.

The President: We are discussing eligibility for membership, but the speaker is referring to associate membership, which is dealt with later in the Report, at page 18. I must ask speakers to keep to the subject under discussion.

The General Secretary: I ask delegates who use the Russian language to speak a little more slowly. Our interpreters cannot possibly give a complete translation when speakers read extremely rapidly a written text.

Mr. L. Kopriva, Czechoslovakia: Since the Stockholm Congress the question of eligibility for membership has been discussed several times at meetings of the authorities of the I.C.A. Although a great deal of time has been devoted to this question the results are not satisfactory. We should try to find the reason for the fact that the Alliance does not include in its membership half the co-operators of the world. In our view, this is due to the policy of discrimination which is now being applied, because some members are afraid to increase the representation of certain co-operatives lest they obtain a majority in the I.C.A.

It is a pity that delegates to Congress have not before them a memorandum on membership by Dr. Bonow, which, as is well known, formed the basis for the discussion the result of which is mentioned very briefly in the Report of the Central Committee now before Congress. If delegates had the full text of that memorandum they would realise much more clearly than is now possible that the questions relating to the progress of the co-operative movements in socialist countries, and their co-operation with the socialist State and so on, were not treated impartially or objectively. In other words, the memorandum seeks to give the impression that a true co-operative movement can exist only in capitalist countries and that the co-operative movement in a socialist country is simply a part of the national socialist regime or economy. On the basis of such arguments conclusions are reached which today are presented to Congress for approval.

I do not intend to speak in detail about the fact that our social order, which has abolished the exploitation of man by man and has introduced the socialisation of production, is very different from the capitalist social order, but I would emphasise that the co-operative movement in a socialist society differs in its purpose and activity from that in a capitalist society, because as a result of doing away with capitalist production we have done away with the main obstacle which hinders the development of the co-operative movement in most capitalist countries and which is still doing so. Monopolies use a discriminatory policy to maintain their power where they cannot do so by other means, and the effects of monopolies and cartels can be felt in every sphere of social life. Our co-operative organisations are not concerned with a struggle for power or position but have a great desire to take part in international co-operation, from which the I.C.A. should not exclude the co-operative movements in any part of the world. The Rules of the Alliance provide that "Associations of persons or co-operative organisations which observe the aims of the I.C.A. and the policy laid down by its Congress shall be eligible for membership of the I.C.A.", and that is the democratic principle which should be observed. We cannot tolerate the efforts of those who wish to maintain the discriminatory *status quo* policy directed against co-operative organisations in socialist countries and against the co-operative organisations of the developing countries.

Mr. R. S. Staples, Co-operative Union of Canada: Having given the matter a great deal of consideration, the Canadian delegation will vote against the resolution of *Centrosoyus* and support the Report of the Central Committee. We do so with no great enthusiasm. The co-operative idea should be of assistance to the people of all countries. The basis of membership of the I.C.A. should recognise the liberal ground found in the Rochdale principles.

We oppose the *Centrosoyus* resolution mainly for three reasons. The first reason is that under the present Rules the governing bodies of the I.C.A. deal with a very wide range of subjects. That has been very apparent yesterday and today. This opens the way for questions which have little bearing on the co-operative movement and results in misunderstandings, bad relationships, and loss of time. We shall return to this point at the appropriate place in the agenda. Secondly, we object to the resolution because it is not sufficiently precise; it is all right so far as it goes, but it does not go far enough. The stated aims and objects of a co-operative organisation are of course important, but they do not tell the whole story; to discover the true nature of a co-operative and measure its co-operative validity it is necessary to observe what that co-operative really does, the extent of the control over it which the members of that co-operative really have and the possibility of organising or developing co-operatives in the way the members desire. Our third reason for opposing the resolution is that the I.C.A. has made a special, careful, and prolonged

study of the membership question. We are convinced that, though less than perfect, the Report of the Central Committee represents the most practical solution which can be found at the present time.

Mr. D. Bajalica, Yugoslavia: The Report of the Central Committee covers the last three years and shows that there are questions of great importance in the co-operative movement of the world today. In this period of three years many co-operative movements throughout the world have made great progress, and particularly important progress has been made in the agricultural co-operative movement. There are, however, many co-operative organisations of great importance which are not members of the I.C.A., although, as in the case of the Polish, East German, and Hungarian movements, among others, they applied for membership. This matter has been discussed at meetings of the Central Committee, and the modification of Article 8 of the Rules of the I.C.A. has been considered, but unfortunately this question has not been solved satisfactorily.

It might appear that the institution of associate membership would go some way towards a solution of this question, but such a solution would mean that some national co-operative organisations with a great number of members would be deprived of the right to speak and represent their views and then after a time become eligible for full membership. This means discrimination against these co-operative members and does not contribute to a better understanding between national co-operative movements.

The second question on which I wish to speak concerns the agricultural co-operative movements. In a great number of countries, and in particular the developing countries, co-operative organisation is a very important technique in the development of agricultural production and in the solution of numerous problems of social life in villages. In view of this the Alliance should discuss more often the tasks of agricultural co-operatives, bearing in mind that the activities of agricultural co-operation cover many fields and include the education of the farmers. Such a task demands a serious study of the problems involved and a greater activity on the part of the Alliance's Agricultural Committee which, in conjunction with F.A.O., I.F.A.P., and other organisations, should pay greater attention to agricultural problems and contribute to their solution.

The President: You are now talking about agricultural co-operation, but at the moment we are discussing membership.

Mr. Bajalica: I wish to say one thing more. We should do more by the exchange of experiences to find ways of improving the wellbeing of co-operators in the special conditions of each country. For this we need the collaboration of all our co-operative movements, but Dr. Bonow's proposals do not make for better understanding and my delegation cannot accept them because it means dividing the members of the Alliance into blocs. Such an attitude contributes to the splitting of our movement and not to the solution of the problems which face us.

Mr. C. Schumacher, Germany: The remarks which Mr. Klimov has made about the consumers' societies in the D.D.R. compel the German delegation to make its position clear, especially as, being neighbours, we are particularly concerned with what happens in the D.D.R. and it is necessary to clear away doubts and ambiguities. Mr. Klimov is right in saying that there are differences of view between co-operatives, but it is a question of what we regard as co-operatives. It is not sufficient to be content with the name; we have to go into the matter more deeply to find the meaning.

Marx – I do not claim to be an interpreter of Marx ! – said that what is important is the structure, not paper rules or prescriptions. It is not possible to argue away the differences which exist between co-operatives. The political and economic outlook of a co-operative in a popular democracy is quite different from that of a co-operative in what Mr. Klimov would call a country of capitalist economy, or, as we would say, in a free economy. I do not wish to be critical about this, and that is not my meaning here or the matter under discussion; my object is simply to make the position clear.

Our purpose is to raise the standard of life of all peoples. The movements in the popular democracies are making an effort to do so, and we are doing so, too. If we can have the support of the State in doing so, without limiting our rights in any way, that is very pleasant. We have had an excellent example of this today, when Bundesrat Tschudi spoke for the Swiss Federal Council about the Swiss movement. Such State encouragement, however, can be a deadly embrace, or something near it, and here another example can be given, taken from my divided country. The East Berlin Co-operative Association is obliged, as one of the large mass organisations, to embrace and propagate the policy of the State and of the single party in the State. I should like to quote verbatim from the journal of the D.D.R. co-operative in question. There it is said that the chairman, who is responsible for a large organisation comprising hundreds of co-operatives, can deal with his economic tasks and the administration of property of great value only if always his entire political and economic activity is based on the lines clearly laid down by the central committee of the party.

It is important for us to know what the real position is. We do not want State encouragement which means State interference and control. It is not a question of discrimination but of a different concept of Co-operation. If the organisations in the D.D.R. are co-operatives, they must be an entirely different type of co-operative from those that we know, and it is impossible to over-simplify the position in such a way as to do away with these differences.

I do not think that the question of admission to membership must be made a matter of power policy, but no one who wishes to change the *status quo* can claim to be in earnest about co-existence. Since we do not want Co-operation to suffer the fate which overtook another body, we are absolutely in favour of an international organisation of really free co-operatives.

Mr. G. Cerreti, *Lega Nazionale*, Italy: I have not come to the rostrum to plead the cause of the co-operative movements in the socialist countries. No, indeed! In my view these movements need no advocate. By reason of their structure, their capacity for development, their purposes and their links with the masses, if they are really co-operatives in character, as I believe them to be and am sure that they are, they need no advocacy.

There is a danger, however, to the unity and universality of the Alliance, and I am not sure that our eyes are open to the danger that apparently simple forms of words may conceal attempts to prevent the Alliance from reaping the benefit of the positive experience of each co-operative movement. Each movement has the characteristics of its own country. It has its history, its structure, and its position in the economy, and we have to take this into account if we are to understand what is happening, and will continue to happen, not merely in socialist countries but also in the so-called under-developed countries. We have to adopt an objective

attitude towards countries which formerly were colonies and the countries of Latin America and elsewhere which are now setting up co-operative organisations and which have before them possibilities of considerable development.

The dangers of taking a retrograde step are contained in certain expressions used in the proposals of the Central Committee, adopted by a majority of that Committee. It is implied that co-operatives in socialist countries which are still members of the Alliance will be under a trusteeship which is neither just nor democratic. On the other hand, so far as co-operative organisations of the economically underdeveloped countries are concerned, we cannot undertake the responsibility of deciding whether or not they will be capable of becoming genuine co-operative movements in accordance with the Rochdale principles or whether they will have more difficulty or less in doing so. We have to examine them case by case.

We have to take into account the fact that the resolution proposed by *Centrosoyus*, which I have come to the rostrum to support, is a reasoned motion. There is not a single co-operator who can argue against it. It already embodies a compromise, and is proof of the wisdom of *Centrosoyus* in seeking to prevent a split in the Alliance, which would be a dreadful thing for an organisation which so far has managed to remain unified. It cannot take that risk. It is the duty of Congress to go into this matter. The *Centrosoyus* resolution is a wise one because objectively it gives the measure of what an international organisation which wishes to estimate at its proper value the capacity of the co-operative movement of a given country ought to be. If we are to take into account differences in political ideas there will be as many Alliances as there are political ideas, whereas we want a single Alliance. We shall therefore have to have a compromise to enable us to find common denominators in this co-operative understanding about which we speak.

We should have regard to the fact that the nations are jockeying for position, each seeking its own advantage. We want to show that in our organisation there is the possibility of co-existence, that in our organisation there is sufficient understanding and tolerance, sense and sensibility, to give an appropriate part to each movement. *A priori* we cannot separate the grain from the chaff. We cannot shut our eyes to what is happening in the developing countries, in the former colonies. We must be afraid of nothing, unless it be lies and false arguments. We must establish a true citizenship in the Co-operative Movement and accept all co-operatives which observe the rules of democracy and unity and have respect for their members. That is the basis of every co-operative and should be the basis for the Alliance as a whole. Anything which runs counter to that is divorced from reality.

Mr. S. Kobayashi, Japan: I wish to speak on behalf of the Japanese Consumers' Co-operative Movement. We should like the Alliance to think about this matter again. We agree that in any country a co-operative organisation which is not based on the Rochdale principles should not be admitted to membership, but organisations which are true co-operatives should be accepted as members of the I.C.A. irrespective of political ideology or the general conditions of the country. That was the view of our former president, Dr. Kagawa. We suggest that organisations which are real co-operatives should be accepted. If you have any doubts about whether they are true co-operatives or not, we suggest that three representatives – one of Western countries, one of socialist countries, and one of Asian or other developing countries – should make an inquiry to decide whether an organisation is a true co-operative. A careful study will have to be made, but that is what I should like to suggest.

Dr. L. Malfettani, *Confederazione Cooperativa Italiana*: I would point out that the Alliance did appoint a committee whose task it was to study the conditions of eligibility for membership. I wish to emphasise the following points. First, the Alliance is not an intergovernmental organisation, a sort of smaller United Nations. If it were, we should be left wondering what substantial difference there was between the U.N. and the I.C.A., apart from the difference in financial resources. We are not a governmental organisation and we do not wish to be, and therefore there must be a different attitude towards the admission of members. We must consider the situation of those organisations which wish to become members and take into consideration first of all the social and political structure in which these organisations have to work.

My second point has to do with what has been called discrimination in regard to eligibility as between co-operatives subject to State influence and those that exist in free economic circumstances. An opinion was expressed some time ago in the Central Committee by one of our Soviet colleagues on the subject of agrarian reform co-operatives in Italy which have been set up and are liable to some control by the State. I should like to reply to that remark. These co-operatives, which were united in an autonomous national federation, were not members of the Alliance and have not asked to become so, and they are not represented by the *Confederazione* or by the *Lega Nazionale*. When they become fully co-operative we shall try to bring them into the Alliance and into our movement, but they have not reached that stage yet.

I realise that by supporting the *status quo* we may be unpopular and be regarded as conservative people who are opposed to the cause of progress, but if we consider the matter quietly I think we shall acknowledge the need for caution. We have principles which we cannot give up and which form the very basis of the existence of the I.C.A. as we want it to be. That does not prevent us from following a policy of holding out a hand to all co-operative movements, irrespective of whether or not they observe our principles.

I have received, like some other delegates, a review from my colleagues in the *Lega Nazionale*. Unfortunately our attitudes are often not the same. In it is an article by Mr. Cerreti entitled "The Alliance at the Turning-Point?" I prefer the straight road, clearly marked by a clear purpose. But when I find myself at a turning-point I stop, particularly when I do not know what lies ahead, for I might find myself at a dangerous corner. I hope I have explained why we of the *Confederazione Cooperativa* cannot agree to the resolution proposed by *Centrosoyus* and why we prefer the proposal of the Central Committee.

Mr. V. C. Parashar, India: On the question of eligibility for membership of the Alliance I feel it my duty to express my views. This Congress is the authority, and the only authority, to decide on the procedure to be adopted and on the Rules, and I should like to see a committee appointed by Congress itself to go into this question and suggest ways and means and what should be done on this controversial question. We co-operators who come from the developing countries are very interested in seeing that controversy on this question is so far as possible avoided, and some way must be found by which co-operatives which conform to real co-operative principles can become members of the Alliance. I feel it my duty, therefore, to support the resolution proposed by my Japanese colleague, who has suggested, as I understood him, that a small committee of this Congress should be appointed to go into this question afresh and to examine whether a country has a

real co-operative movement or not. If they are real co-operatives we must admit them, but if not, they have no right to be here. That is what I want to say on this most controversial question.

I feel it my duty to point out, humbly, that I have found a mistake on page 148 of the Agenda and Reports, where it is suggested that we have made an experiment in co-operative farming and have come to the conclusion that collective farming is a failure. We have not made such an experiment. I am in favour of making experiments and telling the world what our honest conclusions are, but unless and until we do that I feel that no such statement as this should be made in a report of the I.C.A.

I welcome the establishment of regional offices in the developing countries, and I congratulate the Alliance on opening its Regional Office in New Delhi. I can assure you of the help of the Indian co-operative movement. At the same time it is my duty to suggest that in order to derive the utmost benefit from this Regional Office there should be a sub-committee consisting of representatives of the countries for which the office has been established. I hope that the Alliance will consider this proposal.

Dr. O. Gaeta, Lega Nazionale, Italy: I wish to suggest some amendments to the recommendation of the Membership Sub-Committee and adopted by the Central Committee. Point 1, paragraph a; after the words "rigorous examination," add the words "based on previous investigation." Delete point 1, paragraph b.

Point 2, first paragraph: after the words "where it is" delete the word "confirmed" and substitute the words "ascertained after previous investigation and rigorous examination."

No other changes are proposed. I should like to make it clear that we are not opposed to a preliminary enquiry being made to ascertain that co-operative organisations are genuine and free before they are admitted as ordinary members, but the form that these enquiries will take does not satisfy us. However rigorous an examination may be, it is only possible if a detailed preliminary investigation is made into the facts. We hope you will adopt the proposed amendments, for they are based on the elementary democratic principle of equal justice which is deeply embedded in the heart of all co-operators throughout the world. We are categorically opposed to point 1, paragraph b, which is disappointing for members of developing countries who cross the threshold of Co-operation only to find that a few years after the adoption of Article 14 by the Paris Congress, a new condition of eligibility has been added. We would emphasize that if the recommendation begins with the assumption that there are co-operative organisations which fulfill the provisions of Article 14, then it is itself a contradiction. If the conditions required by the recommendations are not logical, then there must be reason to believe that these organisations will become genuine and free, and eligible to become members of the Alliance. That is to say, it is an amendment which, in fact, eliminates the certainty of the right of membership, based on the testing of opinions and activities to ascertain that they are in accordance with the objectives of the I.C.A., by not subjecting these opinions and activities to rigorous examination but merely, as proposed by the recommendation, to the extremely uncertain method of assumption, which lends itself to a subjective and discretionary assessment. We therefore propose this amendment of point 1, paragraph b.

We note that the third paragraph starts from the assumption that there are member organisations of the I.C.A. which are subject to outside control. But

this assertion has been denied, as can be seen by careful examination of the minutes of the Executive and Central Committees and even of the report of Dr. Bonow on "Co-operation in a Changing World." That is why we propose the amendments.

The President: It has been suggested that the examination of requests for admission has not been done conscientiously. I may tell you that, on the contrary, the Executive has been most conscientious in the consideration of applications. We shall never lay ourselves open to suspicion about the manner in which we examine applications.

The next speaker is from Great Britain, but is not speaking in the name of his country.

Mr. F. R. Knight, South Suburban Society: I speak in the name of the South Suburban Society, and I should like to give a somewhat different view-point on this matter, because I feel that the co-operative movements in the Eastern countries, some of which are not in the Alliance, approach nearer the ideals of Rochdale than we do. I say that advisedly. We, I think, are too obsessed by political fears, which are largely groundless, and at the same time obsessed by the so-called Rochdale principles. Instead of being obsessed by these principles, which were only rules for the guidance of the pioneers in the situation in which they found themselves, we should pay more regard to the aims of our movement and of our societies and the societies in the East.

What are these aims? The first is to improve the living standards of the working people by mutual effort, the second is education and the third the establishment of socialism. The so-called principles of the pioneers were only rules, fitted to the needs of the day, by which the pioneers hoped to achieve their aims, and their main aim was the establishment of self-governing communities of working people. They could not achieve that under capitalism, and in most of our countries, having found this impossible, another philosophy was developed, by which we develop consumers' co-operation, and that is the philosophy under which we work today.

The shop in Toad Lane was only the beginning of the development of what the pioneers were after, which was the establishment of these self-governing communities of working people; and in the socialist countries of the world I submit that they are achieving this with the help of their governments - not by the direction of their governments but with the help of their governments. They have achieved what the pioneers set out to achieve. There are the collective farms in the Soviet Union, co-operative farming in the German Democratic Republic and the communes of China, and these are developing at a fast pace.

One thing we have to look at in recent developments in the Eastern countries is the way in which even the help which the State is giving to these co-operatives is fading away. State tractor stations were established to help the co-operatives, but now these are being turned over direct to the co-operatives. We shall find this process going on, and as they develop we shall find they are getting nearer and nearer to what the Rochdale pioneers were after, absolutely self-governing communities. As communism develops and the State disappears they will get to what we want, the Co-operative Commonwealth.

I ask you to look at the co-operatives in these countries from that point of view; forget the political side of the matter and look at the aims for which they are striving, which are also our aims. We should therefore support the resolution of

Centrosoyus. Before I sit down I should like to say this. Hungary has been mentioned once or twice. Whatever happened in Hungary in 1956 there is still a co-operative movement there, but if our friends in Russia had not done what they did in 1956 there would not have been a co-operative movement in Hungary at the present time.

The President: Mr. Painter, of Great Britain, will speak on behalf of his own society:

Mr. J. Painter, Nottingham: The discussion which has taken place this morning has proved quite conclusively that we are in danger of not having an International Co-operative Alliance, as we are supposed to have, because it is self-evident that in the world today there are 600 million co-operators, and we represent only 148 million of them. What, therefore, must be done? It has been stated this morning that certain countries try to use the Alliance for political purposes. I am of the opinion that the majority of the Executive is assisting the prosecution of the cold war by its attitude. It has been stated by leading international figures that the I.C.A. is flexible enough to admit different forms of organisation from various countries. I was sorry to hear Dr. Bonow say that if these co-operators were admitted they would have a majority in the Alliance. We do not accept that principle, because as co-operators, while we differ, on fundamental questions in the end we agree. I welcome this because it would bring us nearer to those forms of co-operation which at present are outside the Alliance.

It seems to me that the people who oppose the admission of co-operators from the socialist countries fail to recognise the role of the State in relation to the co-operative movement. The co-operative movement in the D.D.R. I have seen for myself; and in the U.S.S.R. I am convinced that the role of the co-operative movement is getting nearer to the principles of the Rochdale pioneers than we in the West are doing. I am convinced that it is only when there is a people's government that the co-operative movement can really come into its own. What is this talk about the State being the boss of the co-operative movement in the communist countries? We know the action of the State in a large number of Western countries. Speed the day when we have people's governments in every country in the world!

The co-operative movement in the D.D.R. does one-third of the retail trade of the country. How many co-operatives in the West can claim anything like that share of the retail trade? I see nothing in the *Centrosoyus* resolution to which we can object. Should the question arise of whether an organisation complies with the conditions of admission to the I.C.A., the officers of the Alliance should avail themselves of the right to go into the question and study the actual state of affairs in the organisation in question and, subject to the consent of the organisation, send their own representatives to the country concerned. We have had the instance of one of the leading figures in Britain, Jack Bailey, being turned out of Ghana, the co-operative organisation of which is a member of the Alliance. I say definitely that co-operators from any country in the world will not be turned out of any socialist country, where co-operators from every country in the world are welcomed and invited to study the conditions. They are welcomed and asked to go. I am afraid that some of the members of the I.C.A. Executive have turned down invitations to examine the situation of the co-operative movement in the D.D.R.

Finally, allow me to quote the concluding remarks of Dr. Bonow in his excellent paper which is being presented to Congress later this week, "Co-operation in a Changing World." He writes -

"Co-operation can, however, by mustering all the large groups of citizens, and by collaborating across national boundaries, regardless of differences in political and religious questions, and of racial differences, make a constructive contribution towards lasting peace. Co-operation can, by its activities, contribute towards creating the economic and social equality, and the will to peaceful collaboration between all countries and peoples which are, in the long run, the only reliable and durable conditions for permanent peace - that is Peace based upon International Understanding."

Yahaya bin Mohamad Sani, Malaya: As a delegate of the Co-operative Union of Malaya, I wish to say that my Co-operative Union commends the Central Committee of the Alliance for the magnificent report which is under discussion today. We fully support the Central Committee's recommendation with regard to the admission of members and we strongly oppose the admission of co-operative organisations which do not respect the freedom of the individual and the principles laid down by the pioneers of Rochdale.

My Co-operative Union is also concerned about the resolution proposed by our friends from the U.S.S.R. We cannot help feeling that it is intended to impute blame to the Committees of the Alliance on the question of the admission of members. As the Rules of the Alliance stand, the Executive is expected to interpret the Rules on membership in the manner which has been laid down and the way in which it is intended to be applied. Considerations other than those specifically laid down in the Rules should not influence the decision of the Executive one way or the other. Apparently my friend from the U.S.S.R. feels that the terms of the Rules concerning membership have not been strictly applied and thereby certain prospective members have been deprived of membership. In other words, the resolution can be interpreted as a censure on the excellent work of the Executive. My Union wholly opposes any insinuation in this direction. We feel that this resolution is uncalled for, unnecessary and *ultra vires*.

Mr. R. Southern, Great Britain: My first duty is to reject entirely the views expressed by Mr. Knight, of the South Suburban Society, and by Mr. Painter, of Nottingham. Those views are not shared by the British delegation nor by the British Co-operative Congress. I would remind Mr. Knight and Mr. Painter that we do not regard the co-operative movement as a half-way stage to communism, and in particular I would remind Mr. Knight of the terrible experiences of the farmers in East Germany when they were coerced into the creation of collective farms. They and their families suffered great hardships. They were victimised, they were subjected to political intimidation, and they were also the victims of personal violence. That was a wretched and sordid experience in the pursuit of a political objective, and that to my mind does not represent Co-operation.

With regard to Mr. Klimov's references this morning to the British Co-operative Congress, I would point out that this is a miracle of twisting the facts to suit an argument. Out of 2,000 delegates at the Co-operative Congress only one spoke against the policy which is now before Congress from the Central Committee of the I.C.A., and after our British Congress I received a letter from the society of that representative disclaiming entirely the views which he had expressed to the Congress.

Our Czech friends said this morning that we were at pains to seek new arguments in this controversy. There are no new arguments; there are no new arguments in this controversy because we are dealing with fundamental principles. What we are here concerned with is the perpetuation and variation of tactics to secure the admission into the I.C.A. of organisations which only purport to be co-operative. I and many others here have been subjected to a constant barrage of letters, resolutions, and reports, and even personal approaches, by those who seek to persuade us to adopt their point of view.

We have had the experience in Great Britain of parties being invited to visit countries behind the iron curtain, parties who are lavishly entertained and who afterwards are invited to subscribe to the view that those countries should be admitted to the I.C.A. I despise those tactics, which are efforts to put people under obligations towards their hosts.

There is underlying this issue a great illusion, and this illusion stems from the use of words and the definitions of principles and organisations. "Freedom" is invoked, but what we mean by "freedom" in the co-operative movement is freedom of association; the democracy to which we subscribe is the exercise of the free will and not the recording of 99.9 per cent of votes in so-called elections, while by "Co-operation" we mean the mutual association of people on a voluntary basis. We in Britain oppose this desire to overwhelm the I.C.A. with the State type of co-operatives and we oppose the bulldozer methods employed for getting them where they do not belong.

There can be no pretence about this, because the issues are fundamental. The British view is this, that as the virtual founders of the I.C.A. and its constant supporters, consistently in peace and in war, we are desirous that the I.C.A. shall maintain the character and purpose for which it was established. We want it preserved as the world federation of national co-operative movements based on the Rochdale principles, which are still valid and which are a worthy object in themselves. We do not want to see the I.C.A. submerged by a flood of communist ideology. Let us remember, too, that this is one of the sectors of the cold war, and we are determined to hold this sector against others who are trying to assault it. We have a duty to do so and to make sure that the Alliance is not reduced to a state of impotence. I appeal to all those whose first allegiance is to the co-operative cause to vote down this motion from the U.S.S.R. and to support the principles put forward by the Central Committee.

Mr. C. Mateesco, Roumania: The content of the proposals in the Report of the Central Committee on eligibility for membership makes it obvious that this question has been interpreted in an entirely wrong manner by the division of organisations into free and non-free co-operatives. This false division is discriminatory and was done to prevent entry into the Alliance of organisations of countries whose political and social regime is not pleasing to certain members of the I.C.A. There is also a provision that co-operative organisations can be admitted as associate members, but only in cases where there is reason to suppose that after an intermediate period they will develop in such a way as to become eligible for full membership. This affects countries in Asia and Africa, and there is discrimination here too, because it means that organisations in countries not yet economically developed are placed in an inferior position and not allowed to become full members. In our opinion this is anti-democratic and places these organisations in an undignified position. The result is that organisations in countries whose systems are not pleasing to the present members of the Alliance are either not admitted at all or placed in the category of associate members.

The first paragraph of Article 7 of the Rules states that -

“The I.C.A. regards Co-operation as neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common.”

That Article means what it says, and if it is interpreted in any other way it will lead to a great deal of discrimination within the Alliance, because any organisation could be accused of political deviations and censured. The time has come for the Alliance to stop the policy of discrimination against certain co-operative organisations in socialist and newly developing countries, so that at long last the principle of equality is observed.

We agree that co-operative organisations which ask for membership have to be scrutinised, but we should devise methods to ensure that such organisations are not excluded for political reasons. Co-operators in the German Democratic Republic have on many occasions invited representatives of the Alliance to go and see for themselves the free and democratic character of the Co-operative Movement there, but these invitations have never been accepted. If such official representatives had been sent it would have been possible for them to reply to Mr. Southern who speaks subjectively without taking reality into account at all. Whether or not it pleases some of the members of the I.C.A., the Co-operative Movement in the socialist countries is a reality which cannot be denied, and it is essential that the I.C.A. should change its present policy and admit the co-operative movements of the socialist countries as members. The resolution proposed by *Centrosoyus* is entirely in accordance with our ideas and we support it.

Mr. Ch.-H. Barbier, Switzerland: Certain parts of the magnificent speech of my friend, M. Cerreti, filled me with enthusiasm, as did his impressive plea for the suppression of dogmatic and political sectarianism. It is precisely this dogmatic and political sectarianism which we fear so much in the matter under discussion. Mr. Klimov tells us that the interest of Co-operation coincide with those of the socialist countries. He did not say which those socialist countries were, and in listening to him I recalled something said by that great co-operator, de Brouckère, at the last Congress to be held in Switzerland, in 1946, when he affirmed that communism had not the right to the name of socialism. That, however, is a side issue, and what I want to do is to put a question, or more accurately make a remark, to Mr. Klimov. In 1956, when we met in Moscow, where we were received with open arms as brother co-operators, we were unable to see in that great city, in a country where the interests of co-operation coincide with those of a socialist country, a single co-operative, because there are no co-operatives in the towns of the U.S.S.R. The co-operatives are confined to the country areas.

I ask my fellow-delegates to imagine what their feelings would be if here in this town of Lausanne we said to them, “You are in a country where the interests of Co-operation coincide with those of the State, and that is why you will not find any co-operatives in Lausanne or in Geneva or in Basle; but if you go to Bussigny or to the villages in the canton of Vaud you will see how the interests of Co-operation coincide with those of the State.”

This is the way in which the interests of Co-operation coincide with those of the State in the so-called socialist countries. If, tomorrow, the State authorities in those countries took the view that in the countryside, just as much as in the towns, the development of Co-operation did not coincide with the interests of the State, from that moment there would be no more co-operatives in the countryside.

As our colleague Mr. Southern has said, we are not of the opinion that Co-operation is a half-way stage to communism. We do not subscribe to the medieval doctrine that philosophy is the handmaid of theology and that philosophy has the right of free expression only when it arrives at the same conclusions as theology. That is why we cannot agree with our colleague from the U.S.S.R. I would say to Mr. Cerreti that we do not claim to be modern Attilas intent on separating the good seed from the bad, or on establishing a new religion in the world. But when we talk of unity, that unity must have some meaning and must be on the basis of true resemblance. We are convinced that Co-operation on the principles of democracy offers a true basis for all the countries of the world, and I am convinced that it is of great importance to the economy of the U.S.S.R., particularly in rural areas, and we can only hope that it will continue to develop there freely.

Reference has been made to the Article in the Rules concerning Associate membership. The world is in a constant state of development; we have to recognize that there are things which exist and things which are in the making but not yet achieved. It would be unthinkable to ignore that which is in a state of development by sticking too closely to form. Co-operation must have a certain flexibility. I ask delegates to re-read what is said on the Agenda about Associate membership and you will find that the idea is a truly co-operative one.

Mr. J. Voorhis, U.S.A.: Men and women are more than economic machines; they should have dignity and control over their own lives and destinies as well. In the remarks which I am going to make I ask Congress to bear in mind this example. The dairy cow has one purpose, the purpose of producing milk. The horse has a different purpose, the purpose of drawing heavy loads in a given direction. No amount of oratory can make a dairy cow out of a draught horse. I say this with no disrespect to either kind of animal.

The Report of the Membership Sub-Committee which is incorporated in the Report of the Central Committee, was adopted by the Central Committee by a vote of 73 to 27. I would remind Congress that it did not incorporate the point of view submitted and the position taken up by the Co-operative League of the U.S.A. That position, consistently held by us, is that since the I.C.A. is the only organisation in the world devoted to the advancement of Co-operation as a means for the solution of human problems it should include in its membership only organisations of a free and voluntary nature, conducted completely in accordance with the Rochdale principles and able, therefore, to advance that cause without let or hindrance. I call attention, therefore, to the fact that the Report of the Central Committee, which I support whole-heartedly in the name of my delegation, is a compromise and does not represent exactly the point of view which we would advance, but we support it none the less because we believe that it represents the best answer to existing problems.

I submit that in a totalitarian country – and here I speak not only of communist but of fascist countries – no institution can be in the nature of the case either voluntary or free. By the statements of citizens of those countries themselves, the purpose of every institution in such a nation must be the advancement of the programme of the State, and I think I am correct in saying that unless it does so it cannot continue to exist. I think we all know this, and we also know by the same token that if the control of the I.C.A. falls into the hands of organisations from totalitarian States it must necessarily become an instrument for the propagation of a political cause and nothing more.

In these circumstances the Report of the Central Committee takes a middle ground. It says that we are ready to admit that this can be neutral ground for the discussion of the advancement of Co-operation in the world but for no other purpose, and it also says that we have no intention of allowing the control of the I.C.A. to pass from the hands of organisations that are true and free co-operatives into the hands of those that are not in any true sense co-operatives and cannot be in the circumstances in which they exist. The first act of a government that exercises supreme power in any country must be the preservation of that power. I say this with no disrespect but because it is true, and everyone in this room knows it: to expect the advancement of free Co-operation, which must be in opposition to the policy of the government, in such circumstances is ridiculous.

We are engaged in trying to build up a wonderful herd of dairy cattle which can give milk, the milk of human kindness, for the benefit of all mankind. We believe that this is what mankind most desperately needs today. We have horses in our pasture and will let them graze there, but we will not turn the whole pasture over to the horses, because if we do our cattle will starve and die. We do not believe that the progeny from the fertilisation of our dairy cattle by horses would be much use. I said before, and I repeat, that we want to maintain the International Co-operative Alliance as such and we do not propose to turn it into an "International Conciliation Alliance." We believe that that is the purpose of the United Nations, and speaking as an individual - and I come from a country where I can speak as an individual - it is my personal opinion that the membership of the United Nations should be universal and that every country in the world should not only be allowed but have to belong to it. But I believe that the I.C.A. is a different kind of organisation. Its purpose is different. It is dedicated to the proposition that men shall not be only politically but economically, socially, and spiritually free, and I want the milk to be still flowing a hundred years from now.

Mr. L. Robert, France: I represent the housing co-operatives of France. The Report which we are now discussing deals with the activities of the Alliance during the last three years. If we adopt it, it means that certain national co-operative federations cannot be admitted to the Alliance and that discriminatory measures can be taken against certain organisations. The French Housing Co-operatives have strengthened contacts with national co-operative organisations this year, notably with those of Poland. We found that co-operative leaders in Poland, some of whom were already directing housing co-operatives before the war in 1938, after years of difficulties had resumed their activities together with a new generation of co-operators. Democratic management of housing co-operatives in Poland, at least since 1956, is undeniable. Recognition of the development of co-operatives in socialist countries and of young co-operative movements in newly developing countries would be a valuable contribution to international co-operation. This Report makes it difficult to accept the evolution which has taken place in the Eastern countries, and we would suggest a modification of the proposals of the Central Committee and an amendment which would take into consideration the particular conditions of these co-operatives, which must work in a different political and economic set-up from our own. This is the point of view of the French Union of Housing Co-operatives regarding International Co-operation on the basis, to quote M. Barbier's phrase, of democratic principles in a constantly developing world.

The President: Mr. Klimov, who has submitted a resolution, has the right to reply, and after him I shall call on Dr. Bonow.

Mr. A. P. Klimov, U.S.S.R.: I must answer certain remarks made by various delegates about the *Centrosoyus* resolution. I cannot answer every one; there is not time and some of the comments do not deserve an answer. The great number of members in the communist co-operatives has been put forward as an objection. That is not a co-operative principle. Decisions must be taken in conformity with the wishes of the members and it is the will of the majority which must prevail. How can it be said that the majority must prevail if it is a majority of small organisations but not if it is a majority of large ones? If you admit that there are three types of country, three ideologies, represented in the Alliance, you must accept the fact that no ideology can be accepted as the official ideology. It cannot be said, for instance, that the organisations of Western countries shall have only one-third of the votes and that co-operatives in the newly-emancipated countries shall not have more than one-third of the votes. This is not democracy, but it seems to follow from the suggestion that no ideology must have a majority of the votes.

I agree that the number of members is not the main point. I am willing to accept that the problems discussed by the Alliance should not be decided by the sheer number of members but by co-operative action.

It is said that if the Alliance accepts co-operatives from the Eastern countries it will be turned into a forum for political propaganda. That may be so if you regard as political propaganda the fight against atomic weapons, but if aeroplanes pass over your country which could drop atomic bombs do you not think that this is of interest to co-operators? I think that these things should be discussed in the Alliance. Dr. Bonow - he is a good friend; we know him well and we have co-operated together - says that after the events in Hungary the Membership Sub-Committee was set up. Were those events connected with the objectives of the Alliance? I do not think that such things should be discussed in the Alliance. It is not we who started the discussion of political questions. We have not sought to discuss what happened in Suez or the Algerian question. We do not use the Alliance for political purposes and it is not we who started to use the events in Hungary to make political propaganda.

The question was asked whether the movement in the East or that in the West was more in conformity with co-operative principles. I do not want to settle these questions. A committee was set up to study them but it did not really study the problem. It did not go to the various countries to see on the spot how co-operatives worked and yet it arrived at certain conclusions. I think that the question can be answered only by studying co-operatives in socialist countries on the spot. They are a reality; they exist.

The Canadian delegate spoke against our resolution, saying that we were not real co-operatives. My dear colleague, in your country co-operative legislation does not require co-operative directors to be members of the co-operative. Can such a society be called a co-operative when even the directors and leaders are not obliged to become members for two years after their appointment? Is that a co-operative principle? I am not criticising you; it is your affair. But I would say that a co-operative society administered by non-co-operators cannot be considered a real co-operative.

In 1960 how can it be said that the U.S.S.R. has no co-operatives in the towns? That is what Mr. Barbier said. He was in Russia in 1956. After he came back from Russia he said, "It is obvious that to a large extent you have succeeded in overcoming the various difficulties of the Co-operative Movement and that you have developed your movement." Today he speaks of the Co-operative Movement in the U.S.S.R. as having no shops in the towns.

It is not a question only of the U.S.S.R. but of Poland, Hungary, and other countries. You may remember that three members of the Executive were in favour of sending a delegation to Poland, but the majority rejected the suggestion. One member suggested that the General Secretary should examine the documentation sent by Poland, but even that suggestion was not accepted by the majority.

It is said, "We want no compromise on the question of membership." Why? It is very simple. Today anyone who desires to co-operate with the Alliance and is rejected will try to find help and co-operation elsewhere. It is not we who are asking for something. We are not coming to ask for something. We are members with full rights. We have our piece to say about anything that concerns the International Co-operative Movement. We consider that if the question of eligibility is not solved the Alliance will no longer be an international organisation, and we do not want to see this happen. We do not want a small Alliance of Western Europe and a small number of other countries; we want a large, world-wide international Alliance.

If the majority does not approve our resolution we are willing to accept the Italian amendments. If they are not accepted we will accept the Japanese proposal, seconded by India.

Mr. Southern says that of the 2,000 delegates at the British Co-operative Congress only one spoke against the policy now before Congress, but there were many others who voted against it.

The President: I am afraid, Mr. Klimov, that you have very much overrun your time.

Dr. M. Bonow (Vice-President, I.C.A.), Sweden: In winding up the discussion on behalf of the Executive on the section of the Report of the Central Committee which we have just been discussing I wish to make a few remarks. First of all, I think I can agree with Mr. Klimov that not all the interventions in this discussion merit a reply. That, however, is beside the point, and I am going to deal with some which I think are important to show the real issue at stake.

I shall begin with a point made by Mr. Klimov. He made a big point of the memorandum which I presented not on my own behalf as an individual but on behalf of the Scandinavian co-operative movements jointly after consultation with the Central Committee members. The argument was that if we acceded to the request of Mr. Klimov, that all organisations which wished to join the I.C.A. should be allowed to do so, the factual situation would be the one described, namely that there would be an overwhelming communist domination of the Alliance. It is not, Mr. Klimov, a majority problem. There are no problems if there are genuine democratic movements which form a voluntary body for international collaboration, of the type that the I.C.A. has been since 1895. There is no problem about voting strength and that sort of thing between different co-operative movements so long as they are all working for the same aim, namely, to use their international organisation for one purpose only, that of promoting Co-operation, and and not in order to try to endorse, in world political affairs, the ideas expressed by one or other side of the world today or tomorrow. It distorts the real issue at stake to think that it is only a question of a majority; it is a question of how to preserve the International Co-operative Alliance for the purpose which it was formed to serve, to be, that is to say, the international body of free and voluntary co-operative movements for promoting co-operative purposes and nothing else.

Mr. Klimov asks whether that means that we cannot fight against the use of atomic weapons and so on. We have been accepting peace resolutions unanimously at earlier Congresses and have dealt with atomic weapons and conventional weapons, and we have in the Central Committee on this occasion, as Congress will know later, obtained unanimous agreement on a peace resolution, so that there is no question of our not being able to decide our co-operative business properly and being able to express our intense desire for peace. It is a question of seeing that the I.C.A. does not endorse the view of a certain government. In many cases, if you think back over the years, Mr. Klimov, I expect that as an honourable man you will agree that there have been quite a number of proposals brought forward by Soviet co-operators and by Czech co-operators which have really been trying to get the I.C.A. to endorse those specific recommendations on world political issues which at the time had been launched by the Soviet Government.

I am now coming to the very important question of whether there is the same type of freedom of action for the co-operative movement in the communist countries that there is in the Western countries. Whatever I said would be contested, but I have before me some extracts from a Soviet book published by the State publishing house for law books in Moscow in 1960. It is an official publication. I shall read a few extracts, which are very illuminating on the relations between the Soviet State, the Communist Party and organisations such as co-operative organisations in the Soviet Union. There is a quotation from Lenin about the dictatorship of the proletariat which I shall omit for lack of time, and then there is the very interesting statement that, "Thus the dictatorship of the working class, the task of which corresponds to the interest of the working people . . . is the highest type of democracy." I beg you to mark those words: the dictatorship of the working class is the highest type of democracy, and it "ensures to the broad masses of the working people the possibility of participation in all kinds of social life, while in a society of exploiters the working people are kept in a thousand ways from participation in State affairs." What follows is very important -

"It is impossible to accomplish the task of the dictatorship of the working class without the unity of will of the working people and without an organisational centre which is capable of running the masses. Such an organisation is the Communist Party."

Further, it says -

"Thus the dictatorship of the proletariat can be brought to function only by means of a leading role of the Party, equipped with the Marxist theory. The Communist Party is thus the guiding and directing force in the system of organisation."

Let me assure both my friends of the Soviet Union and all other delegates that I am not using this as criticism of the Soviet system but to show that the relations between the State and the Co-operative Movement and other movements corresponding to voluntary movements in the Western world is entirely different from what it is in the West. This is an illustration of the difficulties which face us, because it is double-thinking to call any form of dictatorship "democracy," but that is what is said in this quotation.

A few words about the proposal from India, which is, I am sorry to say, no solution at all. We have tried this method already, and it is no use setting up a new committee. Nor will the Italian amendment take us any further. We have to make

a decision on what is a clear issue. If this decision, as I hope it will, goes against the Soviet proposal, we must not interpret this as not giving us any future possibilities for working together in commercial matters and in practical technical matters to promote Co-operation, because that is the aim of our work. It is not our aim to act as a United Nations in miniature and it would be a fatal mistake to try to do so.

The President: The discussion is now closed. A certain number of amendments have been tabled which must come before the Congress Committee which will meet at the end of this session.

ASSOCIATE MEMBERSHIP

The President: We now pass to the section of the Report dealing with associate membership, page 18 of the Agenda and Reports. I ask the Czech delegation to come to an agreement on the selection of their spokesman. In the meantime I call on Mr. Musaeu, of the U.S.S.R.

Mr. F. Musaeu, U.S.S.R.: At the meeting of the Central Committee at Vienna it was stated that this Report should reflect the work of the I.C.A. since the last Congress. The 19th Congress of the I.C.A. dealt with this question of associate membership without taking into account the views of Asian, African, and Latin American countries. The 20th Congress did not deal with the matter. The retention of the provisions relating to associate membership prevents the admission of certain organisations to the Alliance as full members. This affects some countries recently freed from colonialism and cannot be supported by co-operators from those countries, which is why we have on the agenda the proposal by the Co-operative Union of Western Nigeria to abolish associate membership. Associate members cannot take part in our discussions at all, and that is why I feel that the Alliance ought not to have this category of membership.

It is said that organisations admitted to associate membership are not independent but are receiving State aid. Without this State aid these movements could not exist. I think that these movements should be supported by the I.C.A. The Government supports them not from motives of interest but to help them to live and do useful work. Co-operation exists not on a desert island but in an organised society and in certain social and economic conditions. It is obvious that the main argument in favour of this category of membership is not justified at all. There are countries in a similar position the organisations of which have been admitted as full members. The growth of Co-operation in countries recently liberated from colonialism shows the importance which Co-operation has attained in these countries. These countries have co-operatives but there are certain other countries where similar co-operative movements have been admitted as full members. Countries which have recently gained their independence have asked to be members but have been refused admission.

On the eve of the Second World War there were 154 co-operative societies in Indonesia and by 1954 the number had risen to 9,000, with a membership of one million; at the present time the number of co-operatives in these countries which are entering the Alliance represent almost a million members, which clearly shows the importance of the role of co-operative development in the social reform of countries which have gained political independence. Why are these co-opera-

tive movements in African, Asian and Latin American countries being prevented from entering the Alliance? It is simply in order that the traditional majority shall be maintained. This is an example of power politics. Why should these countries not be accepted as members with full rights? The co-operators of Western Nigeria for example? It could be said that the Co-operative Union of Western Nigeria should be a member with full rights. Yet its proposal was made not because it was offended by this attitude, but for the sake of maintaining good international relations. We therefore urge that this section of the Report should be re-examined.

I feel that the majority in the I.C.A. does not want to admit the organisations in these countries as full members in order to preserve its position as a majority, but this is a policy of strength. Why not admit these countries as full members? It is clear that the co-operators of Western Nigeria feel that these organisations should be full members in the interests of good international relationships. We urge, therefore, that we should examine again this section of the Report.

The President: The speaker has referred to the amendment in the name of Western Nigeria to Article 14, to abolish associate membership. I should inform Congress that this amendment has since been withdrawn by Western Nigeria. Moreover, it is not true to say that observers from movements in developing countries which are associate members are not entitled to speak in Congress. The Rules lay down that they can speak, subject to the consent of Congress.

Mr. M. Marik, Czechoslovakia: At the last Congress when this question of associate membership was discussed the Czech delegation gave its views and recommended that this category of membership, which in essence is a category without rights, should be abolished. In the Report it is said that "those organisations which have applied for associate membership gratefully appreciate the privileges which it accords them." It must be pointed out, however, that throughout the period of six years for which this category of associate membership has existed only four organisations have felt that it was worth applying for it. The discrimination arising out of the status of associate member gives the co-operatives of Africa a feeling that among the members of the I.C.A. there is a certain difference and that some are better placed than others.

The problem of putting an end to discrimination against certain co-operative organisations in Asia and Africa is a very urgent one, because so many countries have recently achieved freedom and independence and have begun their independent development. It is incumbent on any international organisation based on co-operation and mutual interest to grant to organisations in countries which have suffered for centuries from colonial subjection and which have overcome big difficulties a status which accords them equal membership rights. Do not be afraid of giving the representatives of these formerly oppressed countries the right to speak, even though you may hear a little more about their position and a bitter account of their wrongs and unlimited exploitation under a colonial regime. We ought to give full rights to the co-operative organisations of Asia and Africa so that they can fully express their views to the authorities of the Alliance and as members with full rights take part in the discussion and solution of the problems with which the Alliance deals. On behalf of the Co-operative Movement of Czechoslovakia I ask delegates to support in the name of justice the proposal to abolish the category of associate member.

The President: No one else has asked to speak on the question of associate membership. Those who have spoken presumably have not read the explanation of the reasons for the creation of associate membership. If there were no associate membership the organisations which are now associate members and which do not fulfil the obligations of full membership would have to be excluded from the Alliance. We purposely created this transitional stage for Co-operative Movements which are themselves in a state of transition and which do not meet all our requirements at present. Contrary to what has been said, their representatives are able to speak in Congress.

COMMITTEES AND AUXILIARY COMMITTEES OF THE I.C.A.

The President: We now pass to pages 18 and 19, the Committees and Auxiliary Committees of the Alliance. Mr. Banchieri has asked to speak on the Auxiliary Committees.

Mr. G. Banchieri, Lega Nazionale, Italy: We in the *Lega Nazionale* readily acknowledge that an important step forward has been taken by the activity of the Auxiliary Committees; nevertheless it is true that consumers' co-operatives remain predominant in the activities of the Alliance, and even when other co-operative activities are being discussed there is still a tendency to regard them from the point of view of the consumer. In our view, this accounts to some extent for the fact that many important agricultural co-operatives in Europe and other continents are not yet members of the Alliance. We think that it is necessary, in order to show that the I.C.A. deals in the same manner with all forms of Co-operation, to recognise more fully the specific functions of other forms of Co-operation rather than approach them from the point of view of the consumer.

This applies especially to agricultural Co-operation, but also to other forms. The adoption of this attitude may lead to some lively debates, but this will be for the good of the Alliance. There must be greater recognition within the Alliance of the importance of other forms of Co-operation, and co-operative movements other than those of consumers must be given a greater place for their activities on the agenda and in the deliberations of the guiding bodies of the Alliance. Secondly, we feel that the Auxiliary Committees must be placed in a position to develop their activities more extensively and dynamically and made more autonomous by strengthening their financial resources.

Mr. Lee Ab Leng, Malaya: I feel extremely privileged to be in a position to congratulate the Central Committee on the excellence of the very comprehensive report which has been presented to this Congress. My Union, however, is concerned with the fact that the meetings of the Central Committee always take place in Europe, a fact which restricts the participation of non-European members, and particularly representatives of the young movements in the developing countries which cannot afford the travelling costs involved. We regret that the meetings of the Central Committee are confined to European countries, and my Union, the Co-operative Union of the Federation of Malaya, wishes to place on record its strong feeling against this procedure. We believe that considerable benefit can be derived from holding these meetings in Asia, and particularly in the developing countries. I am sure that I express the feelings of my other Asian colleagues when

I say that it is the desire of the Co-operative Movements in Asian countries that at least one meeting of the Central Committee shall be held in an Asian country during its three-year term of office. As it is, we co-operators from the Asian region feel that we are not represented. We do not have the voice in the Central Committee that the Western co-operators have. I am confident that I am not asking too much from the members of the European countries in general and from the Central Committee in particular. We in Asia look forward to welcoming the first meeting of the Central Committee in the Asian region. I feel confident that my appeal today will meet with the support of my fellow-co-operators.

Mr. J. Nepomucky, Czechoslovakia: I wish to call attention to the fact that the taking of decisions on important problems is being increasingly left to sub-committees consisting of a limited number of members, and thus the collective decisions of the statutory authorities of the Alliance, the Executive and the Central Committees, are becoming to an increasing extent a formality; very often these authorities merely give decisions which have already been taken by sub-committees. This applies above all to the so-called Policy Sub-Committee. We think that this is not in conformity with the Rules and is not justified. In view of the present situation, where the sub-committees present no reports of their meetings, even the Central Committee has no possibility of following their work.

We can readily understand that it is necessary in solving definite problems either in the Executive or in the Central Committee to exchange views and ideas, and that is in keeping with democratic principles; but the true meaning of the system which has been adopted by the Alliance in recent years lies in the fact that it is difficult or impossible for the members of the Alliance freely to express their opinion on the problems dealt with or to take part in the decisions arrived at. We criticise this system and have done so in connection with the so-called Co-operative Conference at Kuala Lumpur, in which it was impossible for Mr. Klimov, a Vice-President of the Alliance, to participate, while the few people who formed the I.C.A. delegation formed a group whose participation had not been provided for by the constitution of the Alliance. This decision was taken by the Technical Assistance Sub-Committee, which seems to have been given more competence than the Executive itself.

It is clear that this procedure is based chiefly on political reasons and every effort is made to ensure that the I.C.A. serves entirely the interests and purposes of a few countries. The Congress of the Alliance should recall to all its subordinate bodies that it is necessary to maintain the rules of procedure and the constitution, and that it is necessary to do so in the interests of democracy. Those who have a clear conscience cannot possibly fear criticism or co-operation with those who are most anxious to take part in the solution of the problems which face us and the finding of solutions which will be agreeable to everybody.

The President: I cannot let that intervention pass without saying something about the accusation that the sub-committees manoeuvre in order to give advantages to certain countries. If there are sub-committees it is because the questions which we discuss have to be prepared by small numbers of people and not in large meetings. The speaker's conception of democracy is one which is bound to lead to inefficiency. The sub-committee prepares questions for submission to the Executive and the Central Committee, with whom the decision rests. We therefore reject the contention of Mr. Nepomucky, and, since he wishes to remain in friendly relations with us, he should refrain from speaking to us in that way again.

Mr. A. Q. Ansari, India: My friend from Malaya has just pointed out that the Central Committee has never met in Asia. The fact that the meetings of the Committee always take place in Europe restricts the participation of the non-European members, and particularly those representing the young movements in the developing countries, who cannot afford the travelling costs involved. The remedy, however, remains to be pointed out. I have great pleasure, with your permission, in inviting the next meeting of the Central Committee to my country. My countrymen have pledged themselves to build up India as a Co-operative Commonwealth. They also firmly believe that in the progressive development of the Co-operative Movement lies the salvation of the toiling masses throughout the world, and particularly in the under-developed countries such as India and others in Asia and Africa. In the world which today is torn by mutual suspicion, fear, and strife, we confidently desire and hope that this august body of world co-operators may prove efficient in establishing not only peace but harmony amongst the nations of the world and will help to create conditions which will bring about the millenium for people all over the globe, a world in which exploitation will be ended for ever and all peoples will live in peace, harmony, and prosperity. I invite the Committee to hold its next meeting in India.

The President: The Central Committee will have these two proposals placed before them. That ends the discussion on the Committees and Auxiliary Committees of the Alliance. The next heading in the Report is "Finances," but no delegate has put his name down to speak on this.

RESOLUTIONS OF THE STOCKHOLM CONGRESS

The President: We pass to the Resolutions of the Stockholm Congress, the first of which is on Co-operation and Health, on which several delegates have asked to speak. I call on Mr. Di Marco of the *Lega Nazionale*.

Mr. F. Di Marco, Lega Nazionale, Italy: In the Report of the Central Committee we notice that great importance is attached to the protection of the health of consumers in the Co-operative Movement. This is still a topical matter today and demands great care on our part. The Conference on the subject at Garmisch discussed the putting into force of the proposals made at Stockholm by the French delegation, which showed the dangers caused by the growing use of harmful chemical substances by capitalist industry. These dangers exist in most countries and endanger the health of consumers. Governments will have to adopt legislative measures to protect the consumer from this action by capitalist concerns. We find that conditions vary from country to country in accordance with the legislation in each, and this depends a great deal on the power and structure of the Co-operative Movement and on the social attitude and policy of the Government in regard to consumer protection.

Experience shows that in our country, as in most other capitalist countries, there is a difference between the conceptions of monopolies and capitalist firms who seek a profit and those of social-economic organisations which have to defend the collective interest. We have to pay great attention to the social and economic causes of this problem and do what we can to combat the danger in a capitalist economy. The protection of the health of the consumers, however, goes beyond

what can be done by co-operative organisations alone, and some of the complex problems involved are matters for specialists. The protection of public health is a social problem and a matter for experts, particularly in the conditions of capitalist production, and in many countries it is only the State which can intervene in any effective manner. The State must discharge its political, moral, and technical duties in controlling the production of foodstuffs, and that has to be done at the national level.

What, then, is the rôle of the Co-operative Movement? The Co-operative Movement, as a democratic organisation of consumers, must increase its efforts in the defence of the consumer and do so with greater resolution. Co-operative organisations must realise that they ought to develop, as the situation demands, widespread campaigns among consumers on the subject until the Government undertakes active measures to put a stop to the harmful productions of the capitalists. That is the problem today. We in Italy have taken energetic measures in regard to oil and wine, and thanks to this we gained much sympathy from public opinion and the Government was obliged to pass special legislation to meet the danger.

There is also the need to protect the consumer from the consequences of radiation, the dangers of which were given serious consideration at the Garmisch Conference in several reports. We try to defend the consumer from the effects of harmful chemical and toxic substances, but we must deal also and even more so with the dangers of radioactive substances. These are becoming more and more serious. The I.C.A., therefore, has the duty of ensuring that protests are made and of showing more initiative in emphasising the dangers of nuclear fall-out, so that atomic tests will be forbidden in all countries. In this way the participation of the Co-operative Movement will mean more power at the national level. We can then start a policy designed to ensure good quality in food and the protection of health in general. I recommend to Congress that an appeal be addressed on these subjects to all countries.

The President: The discussion is suspended.

Close of the Second Session.

THIRD SESSION.

Tuesday, 11th October, 1960.

Congress Committee.

The President: Yesterday a number of motions were referred to the Congress Committee. The Congress Committee has taken certain decisions in principle, but we wish to observe the Standing Orders of the Congress, which provide that the Committee must hear the authors of the motions. There will accordingly be another meeting of the Congress Committee, which we shall ask those who have tabled motions to attend.

Discussion on the Report of the Central Committee

(continued).

RESOLUTIONS OF THE STOCKHOLM CONGRESS

The discussion on the Resolutions of the Stockholm Congress on Co-operation and Health was resumed.

Mr. W. Villumsen, Denmark: I appreciate the action of the Executive in convening the Conference on Co-operation and Health. No other public body in the world can be compared with the Co-operative Movement, representing the widest interests of consumers and producers, as a body interested in and capable of safeguarding the health of consumers as well as the real interests of producers. Its activity in this field will strengthen its position among the wider circles of consumers, emphasise the value of its principles and enhance its prestige. Every country has its own problems in this respect, arising from climate, customs, and other conditions, which vary greatly, as do the facilities for setting up and operating an efficient system of food regulations.

What we have to do is to point to the need for constant efforts to effect improvements in the processing and distribution of food by education and by legislation. No form of control can be effective without the support of the masses of the people concerned, so that by enlightening public opinion and providing information and education we are preparing the way for legislation. To make regulations without preparing the way for them is like sowing seed without first ploughing the ground. The law can only follow public opinion; it can never lead it. Once people are aware of the risks which they run they will press the Government to take reasonable measures for the control of foodstuffs. The Co-operative Movement can do a great deal to educate the public on the importance of these problems. This Congress should ask the Executive to call, as a rule every three years, a conference of the affiliated co-operative organisations to deal with all the aspects of safeguarding the health of consumers in regard to food. That will be for the benefit of both consumers and producers.

Mrs. L. M. Omelchenko, U.S.S.R.: The question of the health of the consumer is a great social question, and to reduce it quite simply, as the Conference did, to merely technical organisational measures is impossible. In order to solve this very important problem adequately, it is essential that there should be joint action between the co-operative and workers' movements. That is clearly shown by the experience of Soviet co-operatives. In our country consumer health is regarded as one of the main tasks of Governments as well as of the public. We have taken a great many measures to preserve health, prolong life, and so on. To this end we apply radical measures to control the production of foodstuffs and dietary questions are watched to ensure that the quality of food products is satisfactory. This is in accordance with a decree of the Supreme Soviet of the U.S.S.R., which enforces the laws which have to be applied throughout the national economy in all the organisations and enterprises of the country.

The Council of Ministers has set up a committee to deal with the standardisation of measuring apparatus for standards, and representatives of the consumer co-operatives take part in the work of this committee. They have 24,000 enterprises for food production, and those enterprises have their own laboratories as well as technical sections to check the quality of the products. To check the application of the laws and regulations for the defence of public health we have in our country a large network of health services, which have at their disposal laboratories and scientific research institutes. In each republic of our Union there has been set up a system of quality control which means that in food-producing industries and also in depots the quality of the goods is watched to ensure that no goods of poor quality are sold.

We have also to consider the effect upon health of radioactive fall-out resulting from nuclear tests. This ought to be studied so that we can solve the problem. Joint measures at international level might do a great deal to improve consumer health.

ELIGIBILITY FOR MEMBERSHIP.

The President: We have concluded the discussion on Co-operation and Health. We have now to take a vote on the resolution submitted by *Centrosoyus* which is on page 59 of the Agenda and Reports and has been put forward to take the place of the proposals of the Central Committee on the subject. A card vote will be taken.

Text of Resolution submitted by *Centrosoyus*, Moscow, on Membership of the I.C.A.—

Bearing in mind that the I.C.A. regards Co-operation as neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common, and that its objects are — to be the universal representative of Co-operative Organisations of all types which, in practice, observe its Principles; to promote Co-operation in all countries; to maintain good relations between its affiliated Organisations; to promote friendly and economic relations between the Co-operative Organisations of all types, nationally and internationally, and to work for the establishment of lasting peace and security for all peoples, also in the interests of preserving and strengthening the unity of the International Co-operative Movement —

Congress considers it necessary —

To admit to full membership of the I.C.A., irrespective of the political and social structure of the States to which they belong, all National Co-operative Organisations whose aims and objects comply with the Rules of the I.C.A.

Should the question arise as to whether an organisation complies with the conditions of admission to the I.C.A., the Officers of the Alliance shall avail themselves of the right accorded them by the Rules to study the actual state of affairs in the Organisation and, subject to the consent of the said Organisation, even send their own representative to the country concerned.

To address a recommendation to the members of the Alliance urging them to pursue their activities in strict conformity with Article 8 of the Rules of the I.C.A.

A card vote was then taken on the resolution proposed by Centrosoyus, Moscow. The result, announced later, was

For the resolution	410
Against	810

INTERNATIONAL CO-OPERATIVE TRADE.

Mr. J. Podlipny, Czechoslovakia: I feel that the brief reference to it in the Report does not express the real situation in regard to international co-operative trade, but suggests that the authorities of the Alliance are not interested in concrete and practical work and action to facilitate mutual trade relationships between the different national co-operative organisations in capitalist and socialist countries and in the new countries of Asia and Africa, although this would contribute considerably to the consolidation and subsequent development of these national co-operative organisations. The development of trade relations with the new co-operative organisations of the economically under-developed countries presents endless possibilities for the subsequent development of trade activities. It has been rightly emphasised that such a relationship forms one of the best and most efficient aids that can possibly be given to young co-operative organisations.

The international trade relations of the co-operative movement in Czechoslovakia with the co-operatives of other countries are continuously developing. *Unicom*, our co-operative enterprise for import and export, has been developing for several years trade with various foreign co-operatives and has had remarkable success so far. For the time being the essential part of its trade relations lies with the co-operative organisations of the socialist countries, but in spite of this we believe that it is possible to obtain the more rapid and better development of relations with Western co-operatives. In the past few years there has been a great increase in trade with co-operatives in the economically under-developed countries, because the main purpose of our Co-operative Movement is not maximum benefit but rather service to members. Since all our commercial contracts are concluded on the basis of quality and mutual advantage, they are of advantage to us and to our trading partners. In the development of international relations, including commercial relations, we have to take account of the resolutions adopted at the Stockholm Congress, because international co-operative trade is a contribution to the common cause of peace and one of the most effective forms of aid to the developing countries. That is why we have continually emphasised that the Alliance should be more active in this direction and definite guiding lines should be given to the Central Committee for activity in this field.

Mr. Ch.-H. Barbier, Switzerland: I wish to emphasise that in the domain of world economic development Co-operation plays a very important rôle. You are here in Switzerland and you heard yesterday a Minister in our Government speak

of the rôle of co-operatives. I should like to say very seriously that the terminology used by our Czech friends and others, and which they refuse to abandon, is a barrier to development. They speak of the democracies, the developing countries and the capitalist countries. It would be a great advantage if they would take their stand on economic reality in a more serious manner. If regard is had to the part of the public sector in our countries, which is not a capitalist sector, and if regard is had to the part of the co-operative sector, which is not a capitalist sector, it will be recognised that the description "capitalist countries" is an abuse of terminology. For the sake of truth and reality I invite our friends to change this terminology, which does not correspond to the facts.

Mr. N. P. Sai, U.S.S.R.: In the Report of the Central Committee there is, unfortunately, no description of anything that has been done by the I.C.A. to promote international co-operative trade, the great importance of which was emphasised by the Stockholm resolution. In the Report only very brief mention is made of the subject; it is stated that the information collected "was very incomplete and did not offer a basis for further action." It is obvious that in the period since the Stockholm Congress the I.C.A. has taken no steps to implement the resolution adopted at that Congress. The Stockholm resolution emphasised the importance of international co-operative trade to co-operative organisations of economically under-developed countries and its part in the development of these movements, as well as promoting "the rôle of co-operatives in the struggle for the all-sided progress of the peoples of these countries."

The liquidation of colonialism requires the abolition of monopolist ideas and connections, and this in turn presupposes the strengthening of the links of the Co-operative Movements of these countries with those elsewhere and the sale to these ex-colonial countries of the machinery and other things which they need. It is a call to the national organisations to take measures to augment inter-co-operative trade and to do away with obstacles to its development. Particularly where there are difficulties created by reactionary elements is this struggle necessary.

In the time that has elapsed since the 20th Congress various artificial barriers to such trade have been erected and existing ones have not been abolished but reinforced. The Central Committee has not given a picture of the situation which enables us to realise what these barriers are. What is the meaning of this? What is the use of adopting resolutions which are not put into effect? What is the use of holding Congresses if no steps are taken to see that their resolutions are implemented? The Stockholm resolution recommended that national co-operative organisations "should demand from their Governments the diminishing or the abolition of existing restrictions in the domain of international trade," and that they should "support before their Governments the creation of a universal international trade Organisation," but in the Report of the Central Committee there is no mention of this. It is the implementation of this resolution that we need now. The problem has now been aggravated further by the creation of blocs.

In spite of this inertia, certain members of the I.C.A. who were responsible for this resolution at the 20th Congress have established contacts with co-operatives in many countries. This is true of the U.S.S.R., which has taken constructive steps to extend its trade and commercial contacts with other countries. In criticising the present position I wish to draw the attention of delegates to this matter so that steps may be taken to apply the resolution of the 20th Congress and avoid in future a resolution of Congress remaining a dead letter. It is necessary for the Central

Committee and the Executive of the I.C.A. and for all the national bodies to take steps to give effect to the measures recommended by the 20th Congress in the field of international co-operative trade.

Mr. O. Bardi, Lega Nazionale, Italy: The recommendations found in the resolution of the 20th Congress of the I.C.A. on international co-operative trade are very important, and their application has become urgent as a result of the initiative developed by capitalist groups, which has led to the spread of chain stores for food distribution, a development which is beginning to take on an international character. The institution of the European Common Market has helped these forces, which have the advantage of priority in the conquest of markets. The consequences are already visible in Italy. The *Lega Nazionale* has agricultural and consumers' co-operatives in membership and for a long time has tried to develop international co-operative trade as well as trade between agricultural and consumers' co-operatives.

It is clear that resolutions of Congress are not sufficient to solve the problem, and my organisation feels that national co-operative bodies should take the initiative in promoting this trade in various ways, such as joint meetings between agricultural and consumers' co-operatives with the problems carefully defined, and so on. In this way it is easier to find solutions to the problems and the financial difficulties which arise. As a result of this initiative on our part many questions have been cleared up and in particular it has been possible to solve in a positive manner the problems which, as is well known, very often arise in the economic relations of agricultural and consumers' co-operatives. In the same way the I.C.A. has been active, but above all we feel that it is necessary for the Auxiliary Committees to do more to develop economic exchanges. This will have a great influence on the development of co-operatives. In particular, economic exchanges if carefully arranged and based on reciprocal interest and the provision of credit will be helpful for the development of Co-operation in the under-developed countries.

Mr. N. Wood, Great Britain: At the outset I want to say that it is perfect nonsense for our colleagues from the U.S.S.R. and from Czechoslovakia and the *Lega Nazionale* to speak as they have on this question. Under the auspices of the Agricultural Committee a conference was held recently at Aarhus, in Denmark, dealing with the exchange between co-operative producers and co-operative consumers of dairy produce. At that conference there was not a single representative from the U.S.S.R., there was no representative from Czechoslovakia, and there was no representative from the *Lega Nazionale*. It was a highly successful conference, conducted under the chairmanship of Mr. Drejer, and was extremely beneficial to those who took part in it.

Speaking in the name of the English C.W.S., I want to say that we find the utmost difficulty, though there is willingness on our part, in engaging in reciprocal trade with the U.S.S.R. We are in a position to buy Russian wheat on the London market today, but we are unable to buy Russian wheat under the auspices of *Centrosoyus*, though there is a desire on our part that goods produced in our factories in England shall be sent to the U.S.S.R. in exchange for Russian wheat. It is quite unrealistic, therefore, that our friends should talk about this question in the way that they do.

The President: The discussion on this subject is now closed, but I understand that the Czechoslovak delegate wishes to make a correction.

Mr. Podlipny, Czechoslovakia: I wish to correct the statement of Mr. Wood, who said that at Arhus there was no representative of Czechoslovakia. Mr. Drejer will confirm that Czechoslovak representatives went there, but unfortunately arrived a little late, because they had to wait for an entrance visa, but they did take part in the conference.

The President: I must point out that the Alliance cannot enter on trade relations; that is for the national co-operative organisations. The Alliance has asked the national organisations to study the problem.

PEACE.

The President: We now come to the subject of peace, page 22 of the Agenda and Reports.

Mr. L. Kopriva, Czechoslovakia: On behalf of the Co-operative Movement of Czechoslovakia I would express our satisfaction that in the resolution on this subject the Alliance has adopted a clear point of view on such an important question as that of the struggle for peace, but we are not content with the measures taken in order to turn into reality the principles laid down in the resolution. It is obvious that the policy of the Alliance is circumventing this and that the policy of some of its members resembles that adopted in the United Nations, particularly by the bloc headed by the U.S.A. It is more necessary than ever before to create within the Alliance an atmosphere of mutual trust and of fruitful international co-operation and an understanding of the problems of mankind throughout the world.

In this connection we must have a radical change in the policy of the Alliance. Peace, which is the most precious gift that humanity possesses, cannot be safeguarded unless we make a continual and conscientious effort. It is therefore impossible in the struggle for peace to adopt a neutral attitude towards those who deliberately try to interfere with the principle of peaceful coexistence and whose attitude may lead to a new world war. The Alliance should take up a clearer attitude in regard to all proposals for understanding between peoples and for lasting peace. In this connection I would refer to the proposals of the Soviet Government for universal and complete disarmament, which were submitted to the General Assembly of the United Nations. The realisation of these proposals would greatly help to do away with the threat of a new world war, the consequences of which are difficult to assess.

The I.C.A. should support other international activities which are intended to support the struggle for peace, and in this connection I should like to refer to the activities of the World Council for Peace, in whose actions the I.C.A. has so far refused to take part. The Co-operative Movement of Czechoslovakia takes advantage of every possibility it has and uses every means available to support the common effort to bring about the fundamental conditions necessary for the solution of international conflicts.

Mr. D. I. Paunovski, Bulgaria: One of the greatest problems of the present time is that of peace and general disarmament under effective international control. Millions of co-operators throughout the world want to see a durable peace and no co-operative activity is possible without it. In the last two world wars we saw the damage done to the Co-operative Movement, and this renders abhorrent the idea

that humanity might again be dragged into the horrors of war. That is why disarmament should be the first aim for which we should strive in the International Co-operative Movement. We cannot stand aside in the struggle for peace and to save culture and humanity as a whole.

The I.C.A. has adopted resolutions on peace and on the use of atomic energy for peaceful purposes only, and the national organisations have taken the necessary measures to put this resolution into effect. Both French and Japanese co-operators have adopted resolutions in favour of peace. The U.S.S.R. Co-operative Movement has made an appeal to all co-operatives throughout the world in favour of peace and total disarmament. The Bulgarian co-operatives at their annual meeting examined the Japanese resolution and adopted it unanimously. Similar decisions were taken by other national co-operative organisations. We were very happy at the meeting in Paris to hear Mr. Brot say that the I.C.A. is in favour of disarmament throughout the world and asks all co-operators to support the struggle for peace. We support the resolution of the Central Committee on general and total disarmament and peaceful co-existence, which is the most important and urgent question of our era. Only our unanimity on this vital question can enable the Congress to express its desire for disarmament and peace.

HENRY J. MAY FOUNDATION.

Mr. A.-A. G. Babaev, U.S.S.R.: The Report of the Central Committee gives an account of the work done by the Alliance in the past three years, but on page 25 there is a reference to the setting up of a special institution which has nothing to do with the work of the Alliance during the period under consideration. This part of the Report contains recommendations on the measures to be taken on a proposal which has not yet been fully studied. *Centrosoyuz* proposes that we should delay action on this recommendation. When the time comes the matter can be examined by the authorities of the Alliance.

THE PROMOTION OF CO-OPERATION

The President: We are now to discuss the section of the report dealing with the Promotion of Co-operation, pages 28 *et seq.* I call on Mr. Taylor.

Mr. T. Taylor, Great Britain: I regard this section of the Report as the beginning of the real work of the I.C.A. I think that some of us who have sat through the proceedings of yesterday and today feel deeply that the real strength and power of the I.C.A. will be measured by the contribution which we can make to co-operative progress and not by the heat of the political discussions which we can generate in these Congresses.

I should like for a moment to measure the achievements in terms of the promotion of Co-operation against the great challenge of our time, the great need of our time. The resolution which we passed at Stockholm calls on the affiliated societies to make contributions to the development programme of the I.C.A. Later in this Report, under the heading "The Development Fund," we get the measure of these contributions. The total contributions to date amount to £58,000. In the three years since the Stockholm Congress we in this great movement of

71 million consumers (according to this Report), 20 million agriculturists, and 52 million insured co-operators have contributed £10,680 to the development of co-operation in the under-developed countries. Are we not a little ashamed of that? I am ashamed! I am ashamed that that is the measure of our contributions. We who sit here and listen to and make propaganda speeches about the great power of Co-operation, are we serious about this?

Measure that contribution against the need. We are living in changing times. Only last week Nigeria, which is represented here, a country of 32 million people, established political independence. In India, 400 million people are trying to work out their new economic institutions to match the political system of freedom. We know from our experience in the Congo that lack of training in the running of a country's institutions can cause a tremendous international conflict which could lead to a world war. I would say to our friends here that this is not merely a matter of helping because in Christian charity we should help, but also a matter of self-preservation from the dangers of international conflict. I hope that all of us in this Congress will measure our contributions against the need.

It is true to say that apart from the Development Fund certain organisations have made their own individual contributions, but just look at them in the appendix to the Report! Did you ever see such a collection of unco-ordinated individual efforts, some inept, some mere gestures, and most of them ineffective? I pay tribute to my Swedish friends, because theirs is the one organisation which has made a very serious contribution. I look at the list of contributions to the Development Fund for the name of our Russian friends. The British contribution is not very prominent, either. I notice that the Russian contribution as an individual movement is to invite students to go to Russia to be trained and obtain experience in co-operative matters. I think I can say that the consequences of that training are to be observed in different parts of the world, but I say this because all our motives are suspect in this cold war world. We have to put more and more contributions through the I.C.A. rather than make these individual efforts at assistance in the under-developed areas, and I hope that that will be done.

I say to the I.C.A., however, that one of the reasons why the contributions have not been greater is that the I.C.A. itself has not inspired confidence in the work that it is doing in this direction. I should like to see the I.C.A. establish a new department, a new section, charged with the duty and responsibility of assisting the development of co-operative progress in the developing countries. But, quite apart from these organisational changes that we desire to have in the I.C.A., I hope that as a result of this discussion every one of us in this room and the organisations which we represent will examine ourselves again and see how far we personally and our organisations are matching this clamant need. Let us do it to help and not with any political motives or with the desire to gain support here or there, but because our fellow-men are in crying need and it is our duty to help them.

Dr. L. Malfettani, *Confederazione Cooperativa Italiana*: The resolution on the development of Co-operation adopted unanimously by the Stockholm Congress makes it clear that the co-operative movement is inspired by self-help and mutual aid, "through which the people can further their interests as producers and consumers" and thus "have an indispensable role to play in the economic and social advancement of the newly-developing countries." After what has been said at the present meeting about agricultural Co-operation, I am beginning to believe that we committed a slight error in approving this text. Quite apart from the moral significance of this sentence, which identifies man in the two-fold capacity of

producer and consumer, it might have been better to say not "producers and consumers," but "producers or consumers." That, perhaps, holds the key to some of the problems of the wider co-operation of agricultural co-operatives in the Alliance.

Everybody deplores the lack of demand by agricultural co-operatives for membership of the Alliance. What is the reason? I do not wish to repeat what I have said elsewhere, but it seems to me that we have to convince the agricultural producers that there is a great disproportion between the price at which they sell and the price at which the consumer buys, and that we wish to support the price at the point of origin without failing to defend the interests of the consumer.

In the Report of the F.A.O. it is noted that world agricultural production shows an increase of 2 per cent on the figures for 1958-59, whereas during the same period, the population increased by 1.6 per cent. To what extent has this increase in production improved the position of the poor populations or the living conditions of the peasants responsible for the production? If there is a sector in which - as it is said in Point 3 of the Stockholm Resolution - there is a need for government intervention, it is precisely that of agriculture. The uncertainty shown in the proposals of the Common Market demonstrate the difficulty and urgency of agricultural problems. In Italy we have a Green Plan which is now being approved and which provides for 550 milliard lire to be spent on agriculture, and co-operatives contribute to and participate in this plan. Under this scheme financial provision is made for the promotion of new societies for harvesting, preserving, processing and marketing agricultural products. Producers are being invited to adopt co-operative marketing with the help of new equipment for which 25 milliard lire has been set aside. Should the producers fail to do this, the State would itself undertake to construct the necessary plants and management would be placed in the hands of producers' associations. Agricultural problems which can be resolved by co-operative methods either at national or international level should, in my opinion, take priority among the activities of the Alliance, particularly in view of the fact that agricultural co-operation is the first to require assistance in the developing countries. It is necessary to carry out this work with energy. We must meet the demands of the agricultural world in order to attract millions of other co-operators into the family of the Alliance and establish new links of solidarity with them.

Mr. D. Bajalica, Yugoslavia: We know that in every country the economic activity of the co-operatives must be part of the national economy. We must not mix up co-operative questions with questions concerning Budapest, Algeria, the Congo, and so on. We know what is happening there, but we are here to discuss problems of Co-operation. The I.C.A. was set up for the exchange of co-operative experience and to promote the development of co-operation. Is the I.C.A. really doing what it is supposed to do? I believe that it is, but there are some conditions that we must impose on ourselves if it is to continue to do useful work in the future. Why are certain co-operators afraid to admit co-operatives such as those of Poland? If we are all co-operators and all desire the development of Co-operation then let us bring these new members in. If in the I.C.A. we can find solutions for the problem of the development of Co-operation we can do something positive. A good deal of concrete action is being taken for the reorganisation of Western co-operation. We are here to discuss these problems, and I believe that we can do a major job in the development of Co-operation.

Mr. R. Ahmed, Pakistan: I wish to speak on the subject of aid to the developing countries. My delegation has been associated with the deliberations of the I.C.A. for a good many years, and I have had the privilege of attending meetings of this Alliance, both the Congress and the Central Committee. I have heard the subject of aid to the developing countries mentioned quite often in the discussions, and yet I have wondered whether the great concern shown by the developed countries in the speeches of some of the delegates is genuine, because this subject has been mentioned not as an independent, substantive subject in itself but quite often as part of a speech of a highly political nature, along with subjects such as peace, disarmament, and so on. It appears that in the political struggle in the Alliance this subject has often been treated as a means of winning support for one group or the other.

We in the East are not interested in the political struggle, a political struggle which belongs only to the West. I wish to clarify the position here. The political struggle is not from our point of view between East and West, but rather between West and West; it is between East Europe and West Europe and between America and the U.S.S.R. We, the poorer and developing countries in South-East Asia, are out of this political struggle and have no interest in it. We have joined the International Co-operative Alliance as providing a means for our economic and social development. On the one hand we find the purely communist society which stands for complete State control and on the other hand we have the capitalist society which gives free play to unscrupulous individual enterprise. We find that Co-operation provides a middle path between the two extremes, and therefore we have joined the I.C.A. and we wish to develop the co-operative movement as the golden mean between the two extremes.

We admire the achievements of communist societies in the material field; they have done wonders, and the great transformation of Russian society compels admiration. We also pay tribute to the capitalist system, which in the past has achieved so much in the material field. We feel, however, that the time has come when the middle path should be followed, and State planning should be combined with individual freedom and dignity. The path of Co-operation, while on the one hand it admits the necessity of control in the form of State planning, support, and guidance, on the other hand recognises the freedom and dignity of the individual. That is why we want to follow the co-operative path and not one or other extreme.

My doubts about the genuineness of the desire of the members of the Alliance, or some of them, to help the co-operatives of the developing countries is based on two other points. One is that I find that the amount of money collected in the Development Fund does not bear out or prove the anxiety which has been expressed. In the past three years about £10,000 has been contributed. This is not a question of charity, from rich to poor, but of people pooling their resources to raise the less fortunate to a higher level; it is a process of levelling up, and that is the spirit of Co-operation. I hope that those members who can afford it will contribute greater amounts. It appears from the Table given under "The Development Fund" that only eight members of the Alliance have contributed to the fund, and it is striking to find that some of the large and rich movements are absent from the list.

The second point that I want to bring to your notice is that the developing countries are not associated in sufficient measure with the administration of the I.C.A., even when it is a question of administering the Development Fund or doing something about the promotion of Co-operation in the developing countries.

Even in these cases the developing countries do not come into the picture very much. I suggest for your consideration that the administration of the Development Fund should be done in association so far as possible with representatives of the developing countries and that the S.E. Asian centre which has now been established in New Delhi should be made the headquarters of a committee constituted mainly if not entirely of representatives of the developing countries, so that they can sit together and discuss their problems, exchange ideas and experiences, and suggest ways and means of utilising the centre for their benefit. I also suggest that a small sub-committee might be set up for the administration of the Development Fund, which should have on it representatives of the developing countries.

We look on the I.C.A. not so much as a world organisation which has to be representative of all the co-operative movements of the world, but as an association of like-minded people, of like-minded movements which sincerely believe in the objective of raising the social and economic standards of the poorer peoples. When I sit here and listen to the great speeches made here, and when I eat sumptuous banquets and see wonderful operas, I think of the toiling farmer in the East who cultivates his field with little means at his disposal and who does not achieve very much, and I appeal to the members of the Alliance to help this man.

Mr. J. Ester, Israel: I fully agree with what has been emphasised in the Report of the Central Committee, that the resolution of the Stockholm Congress for the promotion of Co-operation in the developing countries has become one of the most urgent tasks of the Alliance. The urgency is growing from day to day as more and more countries become independent and their leaders endeavour to introduce co-operative forms for their economic and social life. They apply either to the I.C.A. or directly to the countries with developed forms of Co-operation for advice and assistance. From the contact of the Israeli co-operative movement with them I am pleased to know the great interest in Co-operation shown by many of the newly-established Asian and African countries, who send some of their people to study co-operative development in Israel and other countries.

In the first place they are interested in co-operative forms of farming and agricultural marketing, in supply co-operatives, agricultural credit societies, and so on. From the Report we learn that the Alliance has acted in accordance with the recommendation in the resolution of the Stockholm Congress: "That effective steps are necessary increasingly to associate the co-operative movements of these countries with the working and functioning of the Alliance." What the leaders of these countries require is something more than the fulfilment of the Congress appeal to establish connections with the organisations of these countries; they want experts to be sent to them for a period of a year or more in order to assist them in the organisation of co-operative enterprises and to train their people on the spot. This has to be done by the national co-operative movements at the request of the Alliance.

We in Israel are ourselves a newly-developing country. We have to look after our own progress and take immigrants from the under-developed countries, but we are doing the maximum possible to send to the developing countries experts for a period of one year, and sometimes for two years or even more. The Alliance and the national organisations can cover only part of the need; the other part has to be covered by the governments of the respective developing countries themselves and by the United Nations. Our duty will be to help co-operators in these countries to secure the full independence of co-operative forms of organisation and their free activity.

When we have discussed the problems of the promotion of Co-operation we have had in mind mainly the countries of South-East Asia, or perhaps of the whole of Asia. Accordingly, we convened the Kuala Lumpur Conference and set up the Regional Office in New Delhi. In the meantime, however, a large number of countries in Africa have achieved independence. I hope that this Congress will empower the Executive of the Alliance to find ways and means, in collaboration with the national co-operative organisations in the developing countries, to be able to help this important part of the world.

Mr. D. Scull, U.S.A.: On the question of the promotion of Co-operation there are two questions which concern us. One of these has been much discussed: how can we save the world from blowing itself to pieces? There is, however, another question which has not been expressly stated: how can we make this a world morally worth saving? I think we all believe that through the co-operative movement we can help to answer both questions. Most of us believe that man is not solely an economic unit but has a moral side and that what happens to man's personality is important, but I have to express my disappointment that at this Congress so little attention is paid to this side of the matter and that the Central Committee Report and the papers and resolutions are so heavily concentrated on the purely business aspects and the mechanical structure of the co-operative movement.

Democracy and voluntary membership are not important simply because they fit into a certain kind of economic structure but because of what freedom of choice, personal participation and sharing of responsibility mean in the development of individual personality. I think that most of us feel these things, but we cannot always assume that others will recognise them. Sometimes they have to be repeatedly stated. One of the best ways is to ask challenging questions. How well are we maintaining co-operative principles? How well are we maintaining genuine co-operative participation while at the same time growing to be an effective factor in the national economy? This side of Co-operation is of vital importance to countries in the early stages of self-government. Economic growth is essential in itself, but of equal importance is the channelling of co-operative activity through thousands of individuals and the gaining of a sense of personal worth and dignity. Many who have no opportunity to participate in governments can learn self-government in practice.

Dr. Bonow's paper, which may well be our guide for the next three years, could not have been written so well if Dr. Bonow did not feel what I am trying to express, and yet this paper deals almost exclusively with the economic side of the movement. We should be concerned that leaders of the international movement and leaders of national movements should not, as we grow and succeed, become pre-occupied with one side of the movement. We must remember that ideals not called to mind and put into practice may wither. Here in this Congress we need to emphasise this moral and personal side of the movement, and I would say its spiritual side. The Congress should be an instrument for raising our sights, enlarging our imagination and infusing a new spirit into our delegates and officials.

Hindsight is easier than foresight, but I should like to give one example of what we might have done if we had approached our world-wide responsibility with more imagination. At the time of the revolution in Cuba, when it was known that Castro intended to use the co-operative approach to change the Cuban economy, the U.S.A. might have said, "We can let you have an impartial group of experts to assist and

advise the Cuban people in exploring co-operative development." Think what that might have meant in the last few months in terms of stability and co-operative growth and objective reporting!

Again, health has been discussed here primarily in terms of State services and legislation. Naturally as citizens and individuals we are concerned with this, but it has resulted in the voluntary co-operative approach to health problems being completely overlooked. In the U.S.A. we have public health services, food and drug legislation, and inspection and so on, but millions of American families receive medical services through voluntary plans, and pharmaceutical and optical services can be obtained in the same way. This gives consumers the opportunity to decide what kind of health services they want, and it is important as a yardstick even in a country which has an extensive State-supported health service. I regard a more intensive study of this area as part of the programme of promoting genuine Co-operation.

I hope that I am wrong, but from the agenda material in front of us and from the discussion so far, worthy and essential as they are, I do not feel arising the spirit of Lausanne which would raise us to new heights of vision and improve our outlook. These are not needs to be left to the Education and Press Conferences; they concern us all. It is my hope that the elected leaders of the I.C.A. in the next three years, and particularly in planning the next Congress, will realise the importance of the moral standards and personal values of Co-operation, so that when we meet again a spirit may arise which will mean that our meeting will be a permanent landmark in the history of the co-operative movement.

PUBLICATIONS

Mr. W. Serwy, Belgium: In the section of the Report which deals with Special Publications the Executive has expressed its appreciation to the Swiss Union of Consumers' Co-operatives for having made possible the publication, in German, of the Jubilee History of the I.C.A., written by Dr. H. Faucherre. We wish to express our gratitude to Dr. Faucherre for the important work he has undertaken in writing the history of the first fifty years of the I.C.A. With remarkable objectivity, in a brisk clear style, he has recalled the essential decisions taken by the I.C.A. during this period and brought them vividly before us through the comments of those who played an active part in their formulation. The work will enable many militant I.C.A. supporters of long standing to appreciate the importance of the road the Alliance has taken. It will be highly instructive for the younger generations who will be able to trace in it the development of the great problems which we have endeavoured to resolve.

We extend our warmest congratulations to Dr. Faucherre for his work, which is a masterpiece of Co-operative history at the international level. I hope that this book will be widely circulated and that the authorities of the I.C.A. will give their attention to the question of publishing it in the other official languages of the I.C.A.

I see that Dr. Faucherre is present in the hall. I ask you to pay him the tribute he deserves. (Applause.)

The President: We all associate ourselves very warmly with that tribute paid to Dr. Faucherre.

THE I.C.A. CONFERENCE AT KUALA LUMPUR.

The President: The next section of the Report for discussion deals with the Kuala Lumpur Conference.

Mr. P. K. Tsagareishvili, U.S.S.R.: We feel it necessary to draw attention to the incorrect manner in which the leaders of the Co-operative League of the U.S.A. have interpreted the co-operative economy in socialist countries, as shown in Appendix IX on page 148 of the Agenda and Reports. Mr. Nehru, the Prime Minister of India, realises the true position. The Co-operative League of the U.S.A. has undertaken to help the Indian co-operators, and it refers to the failure of collective farming in communist countries.

Let us look at what happened in the U.S.S.R. In Russia at the time of the revolution the position of the peasant was similar to that to be found in India today; it was one of complete wretchedness. In those circumstances the young Soviet State wondered how to free millions of peasants from a condition of destitution and bankruptcy. That was possible by co-operation. The peasants in those days did not understand what it meant, but gradually practice showed the peasants the advantages of co-operation, and in 1934 collectivisation took place successfully. The enemies of the Soviet regime said that collectivisation was introduced by plain force, but that was not the case; in the U.S.S.R. it was based on completely voluntary membership, but with the aid and support of the State. The *kolkhozes* (the collective farms) completely changed the circumstances of the peasants and the collective economy made it possible to increase their standard of life, so that, among other things, it was possible to get rid of illiteracy completely throughout Russia.

Although Russia forty years ago was one of the under-developed countries of Europe, today it has reached a stage where it has gone beyond the achievements of the U.S.A., in particular in the field of agricultural production. That is the outcome of Co-operation in the U.S.S.R. It will be seen, therefore, that the statement of the Co-operative League of the U.S.A. about the failure of collective farming by the Soviet co-operatives bears no relation to reality.

We have tried to give help to India, but we have never tried to enforce anything at all on India. In India there are co-operatives that supply equipment and raw materials to the peasants. They have had to struggle against local monopolists, but very soon they managed to establish themselves. So far as farmers in the United States and the Soviet Union are concerned, an American farmer who visited the U.S.S.R. said in his report that the Russian farmer was a worker who worked for the common good, whereas the American farmer felt frustrated and abandoned and feared for his future. Why should we interfere with the peasants of other countries? They can perfectly well take advantage of the experience gained in other countries. I think that the criticism to which I have referred is entirely dishonest and bears no relation to what is actually happening.

The President: We are supposed to be discussing the Kuala Lumpur Conference, but the speaker has dealt with something entirely different. As he has attacked the Co-operative League, however, I shall allow Mr. Voorhis to reply.

Mr. J. Voorhis, U.S.A.: In the first place, the American farmer has for many years organised co-operatives to market his products and obtain his agricultural

supplies, to bring electricity to rural areas and to provide credit at low rates of interest for himself, his farming operations and his co-operatives. These co-operatives have been organised by American farmers with their own money and resources and are their own institutions. They are a means whereby those farmers maintain the individual ownership of their farms but join in co-operative ownership of related business such as petroleum undertakings, oil wells and refineries, marketing and storage facilities, fertiliser plants, electric undertakings that spread all over America, and great credit institutions. In that way they are able not only to maintain their independence but to stand in the market place in competition with others with whom they deal. We have never expected to have a situation of perfection in our country, because we have free institutions, and in those circumstances one never reaches perfection but is always struggling forward, and this is good for people's souls.

I make a distinction between collective farming on the one hand and free, voluntary, co-operative farming, which is a very different thing, on the other. Our studies have shown that enforced collectivisation of the land and enforced bringing of farmers to give up their ownership of land and to work as wage workers has resulted in lower production as compared with the system of free Co-operation to which I have referred. We do not presume to judge what any other nation shall or shall not decide to do, and what is said on page 148 of the Agenda and Reports does not suggest judgment; it refers to the findings of certain studies which have been made and which we helped to finance, but which we did not make ourselves. Those studies indicated that collective farming - enforced collectivisation, not free and voluntary co-operation - had resulted in less production than when farmers were left free to co-operate under a voluntary system. All the excitement about this matter may be allayed by my pointing out once again that we in the United States were simply trying to help with certain projects which others wanted to carry forward. Some of the implications in the paragraph which has been referred to are unfortunate, because it gives the impression that we are saying things and putting things into the mouths of other people which we did not intend to do. The point is that we helped to finance certain studies in which collective farming was shown to be less effective and to bring about less production in the cases investigated than when free farmers operate on whatever basis they may decide to adopt. We presume to judge for no other nation and we never shall.

The President: After those statements we come back to the subject of the Kuala Lumpur Conference and its consequences.

Mr. D. E. Hettiarachchi, Ceylon: I do not propose to take up much of your time, but I should like to say a word or two about the Regional Office which has been opened in New Delhi. Perhaps I should not speak on this, but I thought I might refer to it, because it is a matter which concerns the I.C.A. In the first place, we from South East Asia are very grateful to the I.C.A. for having made this arrangement, which has been done after several months of inconvenience. Now that it is a reality we thank the I.C.A. for having established this office. I know that funds are very material in this matter, and I thank the organisations whose contributions have made this possible.

Next, I fully agree with what our friend from Pakistan said a short time ago about the Regional Office and aid to the developing countries, but with regard to the opening of this office I should like to tell you, Mr. President, and the high-ups

of the I.C.A. that it is important that the start should be correctly made. The correct approach is essential. How should it be done? It has been said by, I think, a delegate from Great Britain that there should be no strings attached to it. We are grateful for that statement. We do not want on the part of the I.C.A. any patronising attitude in setting up this office. The countries of S.E. Asia should have freedom of choice in the management of the regional office, and there must be plenty of consultation. I assume that there will be, but I want to make the request here that there should be plenty of consultation. I suggest, therefore, that there should be a competent committee consisting of members of the regional area. I do not wish to take up more of your time, but this is a vital question for our area and therefore I make this proposal.

Mr. M. I. Nayar, Malaya: I am a delegate from Malaya, and we in Malaya are grateful that the South East Asia Conference was held at Kuala Lumpur. We appreciate what the I.C.A. is doing in the region, but I cannot but express a feeling of disappointment that the Asian regional office was not established in the Federation of Malaya. I feel that from its geographic position Malaya would have been a better choice than India for the site of the office and if it had been in Malaya it would have made the work of the Alliance in the S.E. Asian region much easier. There may have been some other reasons for deciding on the location of the office in a way against the general feeling expressed by the representatives of the various countries who attended the S.E. Asia Conference at Kuala Lumpur. With this comment the Malayan delegates fully support what has been done.

Mr. N. A. Kularajah, Singapore: First of all, on behalf of the Singapore Co-operative Union I congratulate the Central Committee of the I.C.A. on its comprehensive report and on the excellent work done over the last three years on technical assistance and the regional office. This is the first I.C.A. Congress at which a representative of Singapore has been present. This is not because Singapore waited until the Congress achieved its 21st anniversary but because previously the I.C.A. was not concerned with the movements in the developing countries and the under-developed countries.

Talking about 21st anniversaries, I wonder whether our Congress has in fact attained maturity on its 21st anniversary, because the proceedings give the impression that we are still in a stage of quarrelling with each other. The representatives of my Union who attended the Kuala Lumpur Conference wondered how smooth the path of technical assistance was going to be. We were promised the setting up of a regional office as soon as possible. We did not expect the office to be in New Delhi, but I congratulate the I.C.A. on keeping all the promises it made. We welcome the setting up of the regional office and we feel that the seminar on co-operative education to be held in New Delhi is another step in the right direction.

We in the Singapore co-operative movement are grateful for the assistance we have received, though not necessarily from the Development Fund. First of all, we have had assistance from the Co-operative Insurance Society in Great Britain in establishing a co-operative insurance society which is a joint effort of Singapore and Malaya. We have had assistance from American co-operators on co-operative education, from Japanese co-operators on industrial co-operatives and from India on credit societies. We have had assistance and good advice on co-operative housing from the Scandinavian and French co-operatives. That shows that we welcome technical assistance and are grateful for it. We hope that the promotion of our movement will be helped by all the countries represented here.

There are, however, two other points that I want to emphasise on the subject of technical assistance. The first is that schools of co-operative education should be held in every country, if possible all over the world, and especially in the developing countries, so that a larger number of co-operative leaders may be able to attend them and help actively in the development of the co-operative movement. Arrangements should be made for co-operators from other movements to attend such seminars and lead the discussion. The views of experts from other countries will always be welcomed.

The second point is that arrangements should be made to send experts to the developing countries for a period of, say, six months, and for co-operators from those countries to visit the more developed movements in other countries. Our movement in Singapore, for instance, is interested in housing and industrial co-operatives, and we should like practical assistance by an expert being sent to us who could study the situation and then advise the local leaders on the steps to be taken and the things to be avoided, and we could send someone at our own expense to study in another country. It is also very important for us to develop the work of co-operative women's guilds in our country. It will be admitted that it is not a man's job to organise a women's guild, but we want women's guilds to be established in the developing countries. We hope that the new Central Committee will prepare a programme of action and after consultation with, and in agreement with, the local organisations will take action without delay.

THE DEVELOPMENT FUND.

The President: We now pass to page 35, the Development Fund.

Mr. H. Culbreth, U.S.A.: The Nationwide Insurance Company, the largest co-operative in the United States, has become an integral part of the Assurance Committee of the I.C.A. We also participate very actively in the Co-operative League of the United States, and in the Alliance itself. Our President, Mr. Lincoln, is also the President of the Co-operative League of the United States. I mention this only to explain why we are participating in the programme to which I wish to refer.

In this section of the Report the contributions of the Co-operative League are listed. We feel that these contributions are extremely modest, and we certainly agree with Mr. Taylor, of Scotland, that they should be more; we do, however, want to make it clear that they have been continuous and that they will be continuous in the future. We believe that if all co-operatives would increase their contributions to the extent of their real ability to find the money the work of co-operatives and their economic activities would be much greater throughout the world.

The project to which I referred earlier is a project of the employees and agents of Nationwide Insurance, who became concerned with the developing countries just south of our border, due to information furnished by the Co-operative League. A self-help programme has been launched by these employees for Costa Rica, Guatemala, Honduras, and Panama. I should like to say a word about this programme. We chose the work through CARE (the Co-operative for American Relief Everywhere), because it was felt that through that machinery there would be experts on the scene who would know more about the various needs of these

countries. In addition to this, 20 of our employees and agents were sent to these countries to talk to the man in the street and the farmer in the field and to government officials.

As a result of this discussion as to the various needs, the self-help programme now embodies such things as the sending of experts and medical equipment. To date, 67 per cent of the employees and 29 per cent of the agents over a two-year period have contributed approximately \$200,000 in equipment, and we believe, or at least we hope, that this will be raised to \$300,000. What is important is that we have found in these four developing countries that their problems are really our problems. We believe that in helping them to build a better future for themselves they have helped us to plan ourselves as well, and that we as employees and agents are broadening our own horizon and are realising to some extent the true co-operative duty that we have to help men everywhere to assert their dignity.

Mr. V. S. Korotnyan, U.S.S.R.: In the Report of the Central Committee what is said about the work in Latin America is of great importance. It is true that this question has been discussed in the Executive and the Central Committee, but for a long time past the Alliance should have been concentrating on the movements in Latin America. At present four countries from Latin America are members of the Alliance, but they represent only a very small part of the co-operative organisations in the region, and one of them, from Mexico, is only an associate member. The co-operative movements in Latin America which are members of the Alliance represent only about 750,000 people, a tiny part of the co-operators in this vast region of the world; over 1½ million co-operators in Latin America are outside the Alliance.

We are extremely disappointed that there is nothing new in the section of the Report dealing with this subject. It merely indicates the intention of the Alliance to send an expert to gather information on the situation in Latin America, but it should be realised that the path marked out by the Central Committee involves adjourning *sine die* the aid to be given to the co-operative organisations of that region. It is not desirable to send an I.C.A. expert to Latin America; it would be much better and more important for the co-operative organisations of that region to organise a conference in that area where they could themselves say what kind of aid they need. Who else but the co-operative organisations of the region knows what their needs are? They could then submit their requests to the Alliance, whose duty it would be to follow up the matter. That is why we feel it is essential that this part of the Report should be deleted and not even discussed.

The President: This has nothing to do with the subject we are supposed to be discussing. It is a question of transferring to another region of the world what has already been done in S.E. Asia. We must not put the cart before the horse. What matters first of all is to know how to conduct this operation in the most effective way. In S.E. Asia we first sent someone to make an inquiry on the spot, and then we got in touch with the co-operatives of the region to find out how they wanted a conference in the region organised. We then gathered together at the Kuala Lumpur Conference representatives of all the movements in the region who stated very clearly their problems and the possible solutions. After that the office was set up, and the office will be a permanent link between the members in this region and the I.C.A. This mechanism will now have to be applied to Latin America. It is the best method. We must let the Latin American countries know what the Alliance can give and decide how it can be arranged. The Report makes clear what is going to be done.

Mr. M. Miller, U.S.A.: On behalf of the United States delegation I want to call attention to two points on page 35 having to do with the technical assistance programme of the I.C.A. One of these items is referred to on the last line of that page and has already been called to the attention of the Congress, the fact that the contribution of the Co-operative League to the Development Fund, though modest and much less than we should like it to be, has been an annual contribution from our annual income, and it is the intention of the Co-operative League to continue this annual contribution.

My second point has to do with the I.C.A. action in Latin America. First of all, I must give you a piece of information not included directly in this statement by the Central Committee. Shortly after the conclusion of the last Congress of the I.C.A. the co-operators in the area immediately surrounding the Caribbean Sea – the islands of the West Indies, Central America, and the north coast of South America – set up a working organisation of their own called the Caribbean Co-operative Confederation. One of the active members of that organisation is the Co-operative League of Puerto Rico, which is a member of the Co-operative League of the U.S.A. They are very much concerned about co-operatives in other Spanish-speaking countries, because they are a Spanish-speaking people associated with the United States. Another country having members in the C.C.C. is Colombia, where a national Co-operative Federation has been formed which has already in membership 100 co-operatives of that country. The impulse for the formation of this national federation in Colombia came when the Caribbean Co-operative Confederation met in the capital of Colombia, Bogota.

I say this to show that within Latin America there are co-operative organisations seeking to solve their problems and working hard to do so. This Caribbean Co-operative Confederation two months ago set in motion a plan for the calling of a conference of Latin American co-operatives, and they did so because in other countries in Latin America the co-operatives are seeing the need to work together. The Mexican co-operatives are amongst those who say "We want a continent-wide meeting to plan to work together." Our friends from Puerto Rico, who, as I have said, are members of the Co-operative League of the U.S.A., presented this idea to our Congress which met two weeks ago, and our Congress unanimously and enthusiastically adopted a resolution calling on the board of directors of the Co-operative League of the U.S.A. to associate themselves with the Caribbean Co-operative Confederation and to ask the co-operatives of Canada to join us and all the co-operatives organisations of the Latin American countries to meet in a hemisphere conference to plan united action.

I am in happy agreement with the previous speaker, from the Soviet Union, that the co-operators of Latin America should meet and state their own problems and should ask the I.C.A. for assistance. That is exactly what they are in process of doing. That does not mean that this will take the place of or contravene any plan which the I.C.A. may make to give the help of the strong co-operative organisations of the world to these growing co-operative movements. Such help will be welcomed, and I suggest that as a result of these conferences and of the survey planned by the I.C.A. we shall see in a short time not only a considerable number of strong national co-operative organisations receiving assistance from the I.C.A. but also joining the I.C.A. and adding their strength to our Alliance, without which strength from Latin America the I.C.A. cannot possibly become, as we all desire it to become, a world-wide organisation of free and voluntary co-operatives.

Close of Third Session.

FOURTH SESSION.

Tuesday Afternoon.

Discussion on the Report of the Central Committee

(continued).

THE I.C.A. AND THE UNITED NATIONS.

The President: We are now to discuss the section of the Report of the Central Committee dealing with the I.C.A. and the United Nations. The first speaker will be Dr. Boson, who represents the I.C.A. at Geneva.

Dr. M. Boson, Switzerland: I should like to make a few remarks on the section of the Report dealing with the I.C.A. and the United Nations, and to refer mainly to the introduction to this section and to the paragraphs dealing with the Economic and Social Council. As you know, the Economic and Social Council has been entrusted by the Charter of the United Nations with the study of international problems in the economic and social fields. The Council has also to co-ordinate the activity of the Specialised Agencies and the Regional Economic Commissions, and it can also take any measures necessary to consult non-governmental organisations which deal with questions within its competence.

Up to 1953 the discussions in the Economic and Social Council tended to be political in nature, but since then the Council has discussed mainly practical problems, paramount among which is aid to the under-developed countries. Its discussions are now far more constructive than before. We cannot say that there is unanimity in all cases, but we are no longer confronted with the discrepancies which formerly existed.

The non-governmental organisations having consultative status have taken one of two attitudes. One is to speak systematically before the Council on all important questions, such as the world situation, technical assistance, international commodity problems, and so on. The other attitude is to abstain as a matter of principle from taking part in any discussions and to adopt the attitude of simple observers. The I.C.A. has taken a middle course; it does not take part systematically in long discussions, but it also sees no reason to remain silent. It has, therefore, from time to time, expressed its views on precise problems such as commercial practices and the oil problem, wherever it felt that it could help in arriving at a good result. Very often its interventions have not been followed by practical results, and for the time being it must be recognised that it will be difficult to impress the Economic and Social Council with the co-operative point of view.

At each meeting of the Economic and Social Council there are problems of social importance such as housing, help to the under-developed countries, and commodity problems. The Alliance is interested in all these problems but has not thought fit to speak each time on them. It may be asked whether we are not too shy and whether it would not be preferable for the Alliance to express its opinion more frequently and at greater length. So far as I can judge, this would mean that the Executive would have to study the reports prepared by the U.N. secretariat and give its representative adequate instructions, but the secretariat of the Alliance would have to be expanded if it were to be entrusted with the study of these voluminous documents. We hear lengthy speeches, some of little practical value, at the United Nations. The reports prepared by the United Nations and by the Specialised Agencies are of importance, but they run into thousands of pages. The Specialised Agencies themselves often have trouble in dealing with them, and I cannot see how the non-governmental organisations could analyse such a mass of documentation.

The non-governmental organisations have not been created in order to do the same work as the United Nations, and all that they can do is to contribute to the implementation of the aims of the Charter and try to promote the economic, social, and cultural progress of all peoples. It is certain that Co-operation is capable of contributing to the solution of these problems. It is in fact becoming more and more recognised even in the official circles of the United Nations as well as by public opinion that it is not by speeches that anything can be done but by practical measures. The Alliance and its affiliated national organisations have, I am convinced, acted in the right way in deciding to set up their own technical assistance programme in the educational field in order to promote Co-operation in the developing countries, and it is in this way that the Alliance can most efficiently collaborate in the humane and social work of the Economic and Social Council under the aegis of the United Nations.

Mr. V. P. Kondratov, U.S.S.R.: One of the objects of the I.C.A. is to collaborate "to the fullest extent with all United Nations organisations," including the Specialised Agencies, "and with other voluntary and non-governmental international organisations which pursue aims of importance to co-operation." It is well known that the Alliance is represented at the General Assembly of the United Nations, the Economic and Social Council, some of the Specialised Agencies, and at meetings of the Regional Economic Commissions. All the member organisations of the Alliance are interested to know the results of that collaboration and of the work done by the representatives of the Alliance at meetings of the United Nations and other bodies, but unfortunately that information is not given in the memorandum on the meetings or in the Report of the Central Committee.

Dr. Boson seems to imply that possibly the Alliance adopts too passive an attitude at meetings of the Specialised Agencies and other bodies. I think that we have to subscribe to that idea. The directing authorities of the Alliance, in the view of the Soviet co-operators, do not observe and follow sufficiently closely the work of these other organisations, and that is why the representatives of the I.C.A. in the United Nations and elsewhere usually play the part of passive observers and do not speak at these meetings, or at any rate not often, and they do not properly defend the interest of Co-operation. Dr. Boson says that on important matters of principle the representatives of the Alliance speak at meetings of the Economic and Social Council, but at the last meeting of ECOSOC, in 1960, questions of international trade and other questions of economic and social importance were discussed.

Are these things not of importance to the Alliance? Yet representatives of the Alliance did not speak at that meeting, which was held in July and August of this year. The Economic and Social Council, at that meeting, adopted a resolution on international trade which is of great importance to the I.C.A., because of the subject with which it deals, and at this meeting representatives of the World Federation of Trades Unions, the International Chamber of Commerce, and others spoke, but the views of the I.C.A. were not expressed, although Dr. Boson was present. We find the same situation at meetings of experts on foreign trade at which the I.C.A. is represented, and there are other instances which I could quote.

One representative of the I.C.A., Mr. Barbier, has done very important work, particularly in the solution of questions concerned with adult education, but the Alliance does not give its members sufficient information about the work of its representatives on different international bodies. What is necessary is to have some summing-up of the work done by these representatives in the different organisations. For example, a conference was held in May of this year, in Buenos Aires, which dealt with the subject of adult education. This question is of great importance to all our countries, yet nothing is said about it in the memorandum to the Central Committee or in the Report of the Central Committee to this Congress. We feel that this is the fault of inadequate organisation of our work, and that we should widen our contacts and liaison with other international bodies for the benefit of Co-operation. This situation has to be put right and we urge the new Executive to see that something is done about it.

The Director: I would reply that increased productivity depends upon capital investment. In other words, if the productivity of the work which the Alliance does in collaboration with the United Nations and the Specialised Agencies is to be increased the Alliance itself must put more capital into it. In other terms, the work which is done at present is as much as can be done with the resources that we can spare for it, resources both human and financial. Our human resources consist of two part-time representatives, one at Geneva and one at New York, with what time can be spared by the secretariat from numerous other duties to read United Nations documents and arrange for the appropriate representation. If it were not for the willing support of a number of our national organisations in releasing their officers for this work, the amount of our contact with the United Nations would be very much less than it is. As it is, it is very largely limited to those matters discussed at the United Nations which have a direct bearing on the work of co-operative organisations and the interest of the movement. It has not been possible hitherto, with the staff at our disposal, to make pronouncements at the United Nations which have any sense on the broader questions of economic policy. That is the essence of the whole matter. It remains to be seen, perhaps, later this afternoon how far those who demand extra services from the I.C.A. are willing to provide the necessary means.

Dr. L. Malfettani, Confederazione Cooperativa Italiana: Reference is made in this Report, when dealing with the Food and Agriculture Organisation, to the international conference held in Naples, in 1959, by the F.A.O., in conjunction with the I.L.O., on fishery co-operation. I had the honour to preside over this meeting. I wish to speak briefly on the need for re-evaluating this important side of Co-operation. In the statistics of the Alliance, fishery co-operatives appear for the first time, with nearly 8,000 affiliated societies and well over a million members. In this connection reference has been made to the affiliation of Japanese and

French fishery co-operatives, but I would point out that the *Confederazione Cooperativa Italiana*, which has been a member of the Alliance for a long time, includes fishery co-operatives among its members.

The Naples Conference was a great success, and the results have been collected and handed over to the Alliance, which will be responsible for their publication. A great source of great satisfaction to me, when I visited the I.L.O. in Geneva a few days ago, was to meet representatives of the I.L.O., the F.A.O., and co-operative leaders interested in fishery co-operatives, who were there to study the practical application of the resolutions of the Naples Conference. But the most important result has been to bring about direct contact between the directors of fishery co-operatives and the representatives of the governments concerned. It is useful to break down the wall of silence which often separates those concerned with research, study, and statistics from the activities of co-operative organisations.

I wish to congratulate the Workers' Productive Committee, which some time ago published a monograph on fishery co-operatives. It is necessary for the Alliance to take into account the specific character of these co-operatives, which to a large extent resembles that of agricultural co-operatives. In my view the time has come when we should go into the problems involved and intensify the relationship at international level and continue the activities undertaken by the Naples Conference. It seems to me clearly desirable that a new Committee should be added to those already existing in the Alliance which would deal with co-operation between fishery co-operatives. Most of our member countries are concerned in this, including the noble country whose hospitality we are now enjoying, which, though not on the sea, has a fishery co-operative at Neuchatel.

Mr. A. Zabojsnik, Czechoslovakia: In the section of the Report which we are now discussing reference is made, when dealing with the Food and Agriculture Organisation, to the campaign for "Freedom from Hunger." I wish to say a few words on this. We see from international statistics that about a billion people are living in conditions of destitution and under-nourishment. Generally these statistics do not try to explain the causes of this situation, and when they do so they attempt to deny any responsibility for this situation. Since the Alliance will take part in the campaign against hunger which has been launched under the patronage of the F.A.O., I think it my duty to give a warning that it is useless to be hopeful about the results which can be achieved, because it will be impossible to achieve any results unless this campaign is accompanied by great efforts on the part of all progressive people based on the needs of the countries which are still open to the dangers of famine, in Asia, Africa, and Latin America. If anything is done it must be at the expense of the international monopolies and to the detriment of the spending of milliards of dollars on armaments.

I think that no welfare campaign can possibly solve the complex problems involved, the solution of which has so much to do with the health, and indeed the survival, of great numbers of people throughout the world. If the struggle against hunger is to be effective, it will be necessary to eliminate first of all the cause of this state of affairs - the capitalist exploitation of man by man. For this reason the concept of a joint procedure in the struggle against hunger, in which the great property owners who want to keep a paramount position in the I.F.A.P. will take part, is a very doubtful one.

It is interesting to notice the efforts which are being made by the landowners to win over even agricultural co-operative movements. In a report published in the All India Co-operative Review it is said that the landowners in Western Germany

are making every effort to convince the Hindu peasants that it would be much more to their advantage if every one of them were to run his own farm instead of entering a co-operative, and the I.F.A.P. has tried to uphold this system not merely in Asia, but also in Africa. For this reason if there is to be an effective campaign against hunger it will have to be in keeping with the interests of the masses and not help to safeguard the monopolistic privileges of the big landowners. It is only in alliance with the progressive forces, and only with them, that the co-operative movement can defend the interests of the workers in their struggle against hunger and thus play an important part in the international struggle against the famine and destitution from which hundreds of millions of people suffer.

Mr. L. Bérubé, Conseil Canadien de la Coopération, Canada: To link up with the report of Dr. Malfettani, I wish to say a word about the conference held in Naples in May, 1959. My country, Canada, takes a lively interest, and has done so for a long time, in the problems of fishing and fishery co-operatives, and the Anticosti movement which has now spread over the world began among Canadian fishermen as early as 1927, when movements began to spring up. For some years a National Committee of Fishery Co-operatives has existed in Canada and has done good work. That is why the entire co-operative movement of Canada welcomes with great pleasure the international conference of fishery co-operatives and why its delegates participated very actively in the work.

The conference, as Dr. Malfettani says and as I wish to emphasise, was very successful, for two main reasons. The first is the work which arose from it and the preliminary studies which were done, which were extremely useful for all the fishery co-operative movements, and the second is the exchange of valuable information in which we all took part. That is why I am very happy to say that the Canadian delegation warmly supports the suggestion made by Dr. Malfettani.

Mrs. A. Zoppi, Switzerland: On behalf of the 14,000 organised members of the Swiss Women's Guild I wish to say something about UNESCO. We are very satisfied to find that the proposal to withdraw European study tours from the programme of UNESCO provoked strong reactions and will probably be withdrawn. Many of us know these study tours, in which groups of men and women go to other countries and there get to know not merely the landscape but the social and co-operative or economic life of the country visited. In the past four years we of the Swiss Women's Co-operative Guild have taken part in holiday exchanges. In 1956, fifty of our members went to Germany, Holland, and Belgium, where for ten days they were guests, while women from those countries came to us.

Some people may think that a holiday trip would be better, but these journeys are not merely to show us another country but to bring us in touch with people in all walks of life, and we are very glad of this opportunity to get to know these people and their way of life. The experience gained in these exchanges has shown us that it is a necessary task for co-operative organisations to give their members an opportunity to get to know co-operators in other countries. It is our task to make these women realise what our conditions are and to live with them in their work and their leisure. It is not sufficient for our communities and families to receive the visitors who come to us for a few days; they must be given opportunities to get to know our movements. For this reason we want to continue this task of the National Guild in having women from other countries among us. The Women's Guild and the co-operatives will try to ensure that at the end of their stay the guests are invited to a three-day seminar. That will ensure that they get to know about our organisation in such a way that when they return home they can tell other people about it. We hope that the Alliance will consider this proposal. We oppose the

suggestion of reducing the UNESCO allocation for these exchanges, but we believe that we should make a practical proposal and thus prove that proper importance is attached to adult education. We count on you for your support.

Mr. Ch.-H. Barbier, Switzerland: I want to speak about the Conference on Adult Education at Montreal, at which Dr. Laidlaw, of Canada, who is present here, and myself had the honour of representing the I.C.A. This World Conference on Adult Education, in 1960, was the first to be held since 1949. The object of adult education is to set man on the road to freedom, to enable him to conquer his complexes and to help him to raise himself to a better conception of his dignity and personality and make him, in effect, a being capable of decision and of choosing; because, as is said in a work which has had much success and which has recently appeared in France, *Choisir est le propre de l'homme*. The first Conference created the Advisory Committee on Adult Education on which the co-operative movement is represented, and of which for several years past I have had the honour to be Chairman.

UNESCO has shown great awareness of the major problems of our epoch. It has devoted a great part of its activity to adult education and each year it has promoted the exchange of ideas and experience by a number of different types of conference—round-table, seminars, and the like—often held in collaboration with non-governmental organisations. At the time of the Montreal Conference, UNESCO had a membership of 83 States, as against 46 eleven years ago. Fifty-two participated in the Conference as against 27 at the Elsenore Conference in 1949, and 47 international non-governmental organisations were present as against 21 at the first Conference.

The theme of the Montreal Conference was the education of adults in a changing world, an examination of the rôle of adult education and its methods and structure. Turning to the results of the Conference, the first of these results was very remarkable and I wish to draw the attention of Congress to it very strongly. The collaboration between all the countries represented – and you have seen that they were numerous – was perfect. Today, when the difficulties seem so great on the plane of co-operation (using “co-operation” in its larger sense) this deserves to be emphasised. It was the first conference at the summit which was a conference of friendship, collaboration, and of the fullest confidence on all sides. There was no iron curtain. We lived for the ten days of the Conference in the world of tomorrow, the real world of brotherhood. I was very happy and deeply moved that this first example of what we ought to be, but unhappily are not, in the International Co-operative Alliance was given to us by this world conference of educationists.

The second result is the necessity to co-ordinate better the actions of UNESCO, not with the international non-governmental organisations, the collaboration with which is perfect, but with other governmental organisations, and the necessity for better co-ordination within UNESCO between the departments concerned with cultural activities, mass communication, the social sciences, and education. There was great emphasis on the social sciences, and one of the essential resolutions which came from the World Conference was that the educationists ought in the future to work hand in hand with the sociologists to a much greater extent than in the past. If business men, and now co-operators, judge it necessary to know their market before entering it, how can educators hope to succeed in their action if they do not know to whom it is addressed? It is therefore necessary to have sociological inquiries as the basis of the action of educationists.

Thirdly, the Conference gave the serious warning that adult education is, everywhere in the world today, in the developed countries as well as in the under-developed, a very serious and urgent need. In the developed areas the problem is a grave one because the needs may escape notice and it is difficult to make progress. The rapidity of changes in the world today is a very important factor. It is necessary to envisage all the problems from a new angle. Not long ago, 12 to 15 years of scholastic education fitted a man for his 50 years of adult life, but that is no longer true. Man is no longer trained for his 50 years of adult life at a school desk. From this point of view it is evident that if the efforts of co-operatives and trades unions and private organisations are still necessary in the provision of extra-school education, the State has also to understand better its duty in this respect. The budget of States should make provision, therefore, not only for scholastic but for extra-scholastic education.

The immense problems of the use of leisure and of human development were the object of one of the most penetrating studies of the Conference, and in the same way the two immense problems of education of women and education of consumers throughout the world were also examined very closely. Here I ought to say that we owe to Dr. Laidlaw a whole section of the conclusions of the first of these committees, which places so much emphasis on the education of consumers. The value of this does not need to be emphasised, and Mr. Lengrand, the representative of UNESCO at our Congress, referred to it yesterday.

Finally, there is the question of the Consultative Committee, which provides the link between the non-governmental organisations and UNESCO, and which ensures that UNESCO does not live in isolation at the summit of the world but remains a popular organisation. At one time this Committee was menaced, but as a result of this Conference it will not only be maintained but reinforced. A resolution was adopted which stated that this Committee ought to be permanent and should be charged with carrying out and developing the functions exercised since 1949 by the Consultative Committee on Adult Education. We also drew up a resolution on peace, which was voted with enthusiasm, and which shows all that education would gain by the reduction and if possible the abolition of armaments. We made an extremely fine declaration in which we said: "Our first problem is to survive. It is not a question here of survival of the fittest; either we survive together or we shall perish together. To survive, it is necessary that the nations should learn to coexist in peace." "Learn" is here the operative word. Adult education in our divided world must take on a new importance. If man is to survive he must have before him unprecedented possibilities of social progress and personal well-being.

Mr. G. J. Nijhof, Holland: There are committees of O.E.E.C. which have done valuable work in the exchange of experience on such subjects as agricultural marketing, the organisation of distribution, and so on. Their reports are exceedingly useful as sources of information and ideas. We have had quite a few of these reports which have been valuable to us, but they reach us mainly through personal contacts with co-operators serving on these committees. I wonder, therefore, whether it would be possible for the I.C.A. to develop a better circulation of the information and studies of O.E.E.C., so that they reach member organisations at an earlier stage.

In this respect I should also like to draw attention to the important problem of co-ordinating the work of the various Committees. There are at least three Committees dealing with distribution problems, the Research Committee, the Retail

Committee, and the Wholesale Committee. If co-operative members serve on committees of O.E.E.C. as well as the I.C.C., there is a real danger that we shall work less efficiently than we might. Moreover, I cannot escape the impression that the same work is being done over and over again. I should like to draw the attention of the officers of the I.C.A. to the question of how to avoid this. We support the view that contacts between the I.C.A. and O.E.E.C. are valuable. In particular, we from the Netherlands would add, as there are so many American co-operators present, that we much appreciate the great interest which the U.S.A. has taken and is still taking in the work of the Organisation of European Economic Co-operation.

Mr. E. Descoedres, Switzerland: I regard the section of this Report which deals with relations with the United Nations as very important, and it ends with some remarks which I should like to emphasise. It says that the inter-governmental organisations "are still prone to think and act too exclusively on governmental lines and lose sight of the peoples behind the governmental structure," and adds that "The non-governmental organisations can do much to restore the balance, as in the case of UNESCO policy on adult education, if they can rely upon the active support of their national affiliates." We must recognise that, generally speaking, the activities of the United Nations are little known by the general public, except perhaps for UNESCO, which has become popular because of its programme of adult education and its other work.

What has been possible for UNESCO should be possible for the United Nations itself. What these organisations need is to be better understood by the public, and we co-operators cannot forget that we can be a link between the two. Who among the general public know about all the activities of the United Nations? Do the members of our organisations know what the United Nations do? Our local co-operatives have no occasion to show their interest in the United Nations. There are in most countries, however, organisations whose aim it is to familiarise the population with the activities of the United Nations, to make the United Nations more popular. They are grouped in a world federation. Article 3 of our Rules states the objects of the Alliance. We know that the United Nations must have the co-operation of all the peoples of the world, and we should therefore co-operate with the United Nations Associations and we should study the possibilities of forming a link in each country with these national United Nations Associations. This is one way of making it easier for our members to understand the activities of the United Nations and at the same time helping to preserve peace, justice, and liberty in the world.

The President: I appeal to the national movements to co-operate with these associations to ensure that we get to know more about the activities of the United Nations.

Mr. A. Droppa, Czechoslovakia: In the section of the Report dealing with international non-governmental organisations, no mention is made of such important international organisations such as the World Trade Union Federation, the International Federation of Democratic Women, the World Democratic Youth Federation, all of which have millions of members in Eastern and Western countries. Each of these, however, has many members in Eastern European countries. It is well known that the leadership of the Alliance is already co-operating with several international organisations such as the I.F.A.P., and it has some relations with the International Confederation of Free Trade Unions as it is called. We all realise that the trades unions are a very important workers' organisation, and if their activity has proper direction they can play a very important part

in the development of our society. It is not our task today to revert to the question of who is responsible for the fact that the world trades union organisation broke up, and we must accept the facts as they are; but if the leadership of the Alliance has relations with the Confederation of Free Trade Unions it should have relations with the other international trades union body. For that reason I recommend that Congress instructs the Executive and the Central Committee to take the appropriate measures. The development of relationships of this kind contributes to the consolidation of defence of the interests of the workers and the unity of the workers' movement, and is the best defence for the interests of the workers who are members of a trades union and at the same time co-operators, and particularly members of consumer co-operatives.

The President: The Alliance wishes to have the largest possible number of contacts, but it cannot enter into relations with organisations which follow a political path.

Mr. D. Del Vicario, *Confederazione Cooperativa Italiana*: As a delegate of the *Confederazione Cooperativa Italiana* and as President of the National Federation of Mutual Aid Societies and the International Association for Mutual Aid, I come to the rostrum to refer to the problem of the weakening of the co-operative spirit, which is paralleled by the weakening of the idea of mutual aid. These two movements should long ago have arrived at an agreement for common action in the field of safeguarding the ideological principles which they respect. It was this purpose which inspired the International Association for Mutual Aid when in 1953 they proposed an agreement between the I.C.A. and themselves. A first meeting was held in Paris, in 1954, on the occasion of the 19th Congress of the Alliance, between Mr. Brot and Mr. Watkins, for the I.C.A., on the one hand and Mr. Spinelli, then a Vice-President of our organisation, and Secretary-General of the International Association for Mutual Aid on the other. Unfortunately, these first exchanges of views led to nothing definite.

The question was raised again in 1957 at the 10th Congress of the I.A.M.A. An excellent report was presented by Mr. Obri which described the fears of the mutual movement concerning the prevalence of materialistic tendencies which are detrimental to the unity, between active members and those in official positions, which should result from the selflessness responsible for the origin and development of our movement. Two years later, at the 9th International Co-operative School, it was stated that the decline of the co-operative spirit was creating an insoluble problem. Must we conclude, asks the report, that Co-operation is no longer strong enough to maintain its position? I would like to say that we must give our attention to this question and act in order to halt the decline of our ideologies and almost total abandonment of the sense of brotherhood which a century ago influenced our mutual aid societies; for they constitute a danger not only to our two movements but also to the feelings of unity which it is their task to spread throughout the troubled world of today. Thus contacts between the I.C.A. and the I.A.M.A. are becoming more and more urgent. I ask that meetings between our two organisations be resumed, and I am sure that the mutual aid organisation will be in agreement. I should like these contacts to be renewed in order to organise the defence of the principles which are common to our two movements. Their actions supplement one another, so that we could jointly undertake propaganda and the exchange of visits between the different bodies, and this may help us to get back to the situation which earlier justified the association of these two movements.

OBITUARY.

The President: We now reach the final stage of the Report of the Central Committee, and it is a painful one. I shall recall to you the names of those eminent co-operators who have passed over since the last Congress.

The delegates standing, the President continued:

Reginald Gosling was a member of the I.C.A. Central Committee and Executive and also a director of the English C.W.S.

Robert Deans was a member of the I.C.A. Central Committee and successor to Mr. Gosling on the Executive. He was also a director of the English C.W.S.

Professor Mario Casalini was an inspiration to and a member of the International Committee on Agricultural Co-operation and a former member of the *Lega Nazionale* Executive.

J. B. Sipido, formerly a member of the Board of the International Co-operative Trading Agency, was Commercial Director of the *Société Générale Coopérative*, Brussels.

Olaf Meisdalshagen, nominated to the Central Committee in 1959, was President of the Norwegian Co-operative Union and Wholesale Society.

Charles Grouard was a member of the I.C.A. Banking Committee and former Director of the Financial and Administrative Department of the *Société Générale des Coopératives de Consommation*, Paris.

Dr. Toyohiko Kagawa was a member of the I.C.A. Central Committee and President of the Japanese Union of Consumers' Societies.

Donald Dow was a member of the I.C.A. Central Committee and successor to Mr. Deans on the Executive, and President of the Scottish C.W.S.

Dr. Henry Everling was a member of the I.C.A. Central Committee and former Managing Director of *Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften*, Hamburg. He was so energetic that after the painful days that the German movement went through he built it up again.

Paul Pentzien was a member of the I.C.A. Central Committee, former Manager of the German C.W.S. and member of the Board of the German Central Union.

All those of us who knew them will always remember them with affection, and we are happy now to pay this small tribute to them and to the work which they did with so much devotion.

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 has submitted a written report on its activities since the Stockholm

Congress which will be found in Appendix I, but we think it necessary to supplement this by some oral information on the meeting which the Committee held last week. Briefly, this meeting was a very great success, successful in terms both of number of participants and of the quality of what was said. Eighteen countries were represented by more than 30 delegates. Not merely did we have European delegates with us, as usual, but we were fortunate enough to have with us many delegates from the United States and Canada and from various Asian countries, in particular Israel, Pakistan, and Singapore.

The questions dealt with were of two kinds; some were of general interest and others were rather technical. I would like to comment briefly on these matters, beginning with those of general interest. This morning, Mr. Taylor complained that the amount contributed was insufficient, under £12,000. We talked about this, but it seemed to us that technical assistance was even more important than financial help. What comes first is technical assistance, and that is what we have been trying to give.

The United States delegates proposed we should set up a research committee to find out what were the most important things for the Insurance Committee to do in the years to come. The need for insurance at the present time is no longer a subject of controversy. Take motor car insurance, for example. Motor cars in a single week-end kill more people than polio does in a year. This represents, it will be recognised, a very grave social danger, and we have to do the best we can by means of insurance. Again, no one nowadays would contest the fact that people must have funds available at a certain age to enable them to retire. Fire insurance of factories is essential. The right to work is universally recognised, but to work it is necessary to have tools, and we must ensure the rapid reconstruction of burnt down factories so that everyone has the possibility of returning to work and earning again.

In many countries there is no doubt that problems appear in a rather different form. How can we insurance people hope to increase human happiness and national prosperity? In response to these problems we set up a research committee and decided to appoint a secretary whose task it will be to see what can be done about all this. The third point of general interest is the investment policy of insurance companies. Life insurance companies have a considerable amount of money to invest and very often co-operative movements need money so that they may prosper. How can we reconcile the desire of insurance companies to ensure that the funds entrusted to them are reasonably profitable, so that they can compete with other insurance undertakings, with the desire to place at the disposal of the co-operative movement relatively large sums on the best possible conditions?

Of the technical problems, there were two which held the attention of delegates. The first concerns life policies. Money in many countries loses a certain proportion of its value every year. A life insurance covers a fairly long period, which means that the money paid in during the early part of the period has lost some of its value by the time that it is paid out. For some years now every effort has been made to try to arrange matters in such a way that the funds are built up to retain their purchasing power so far as possible, but it is an extremely difficult problem.

The other technical problem concerns what we call a combined or comprehensive policy. In the spirit of aid and service we try to have policies covering a whole series of risks. In certain countries, for example, a fire policy also covers insurance against theft, floods, and so on.

We also discussed the problem of international co-operative reinsurance. You know what "reinsurance" means? In Lausanne we pass every day a very large building called the Metropole at the end of the Grand Pont, a building which must have cost a great deal of money to put up. An insurance company which insures this building against fire is not going to lay itself open to the risk of having to pay out a very considerable sum, which might place it in an embarrassing situation, and so, having taken the risk of insuring the building, it turns to other insurance companies and asks them to share the risk. Sharing the risk means that they also share the premium.

We in the Co-operative Insurance Committee feel it necessary that this reinsurance should be arranged in such a way that our reinsurances are exchanged between ourselves. This arrangement now exists on a very large scale. Three years ago we all went to Stockholm, and there, among other examples of co-operative production, we saw the LUNA lamp factory. All these buildings are insured by the Swedish co-operative insurance organisation, but reinsurance is undertaken by 14 co-operative insurance societies in other countries, so that if these buildings were burned down the sums necessary to rebuild them would become payable by the Swedish society and also by the co-operative insurance societies in Australia, Austria, Belgium, Great Britain, Canada, Denmark, Finland, Germany, Iceland, India, and Norway. It is the same with other large co-operative risks, for grain silos in Canada or co-operative bakeries in Belgium or warehouses in Manchester and so on. These reinsurances are arranged between societies in four continents, Africa not coming into this. Last year reinsurance premiums reached a figure of £1,321,000, corresponding roughly to \$3,700,000. That gives us a practical means of helping the under-developed countries by giving them technical assistance. That is how we try to help, by technical and financial means, to bring prosperity in peace and freedom.

Banking Committee.

Mr. L. Cooke, Great Britain, Chairman of the Committee: As is indicated in our report, the Banking Committee has held two meetings, one in Brussels and one in London, since the last Congress of the I.C.A. in Stockholm. We have also paid a visit to Hamburg to see demonstrations of electronic computer operations at the German C.W.S. and the Dresdener Bank, and we found them most helpful to us in the study of our own banking accountancy problems.

At our meeting here in Lausanne last week we had 30 delegates from all parts of the world, and we had submitted to us a paper by Dr. Küng on the work of the Swiss Co-operative Central Bank. We were greatly impressed by the extent of its operations on behalf of the Swiss co-operative and trades union movements and also its increasing business in the private sector.

In the international field the most pleasing feature is the practical business which is being done in the way of inter-banking business through co-operative banks in Europe. As will be seen from our report, this business has increased from \$64 million in 1956 to \$92 million in 1958. Whilst the statistics for 1959 are not complete, we believe that as a result of our discussions in London last year there will be a still further increase. There is no doubt that the personal contacts which have been established through the medium of the Banking Committee have greatly facilitated the development of inter-co-operative banking. We have also been able, through the contacts we have made through the Committee, to render considerable assistance to the newly-formed co-operative banks.

Committee of Representatives of Workers' Productive and Artisanal Co-operatives.

Mr. E. Mondini, *Confederazione Cooperativa Italiana*, Secretary of the Committee: Delegates are already aware, from the report in the *Congress Agenda and Reports*, of the main activities of our Committee during the course of the last three years. New members have joined us, and among the organisations which are now members of the Committee we have an atmosphere of great friendship, which makes it very much easier for us to exchange experiences. Our meetings this month have been very successful for this reason. We have had reports from the textile and leather industries and there will be further developments. We have chosen for study at our next meeting workers' productive operations concerned with wood, and a full documentation will be prepared.

Mr. Brot and **Mr. Barbier**, among others, did us the honour of attending our meetings. We discussed some of the problems underlying the extension of our work to the under-developed countries. A number of ideas were put forward which may be summarised as follows. In countries where there is a great deal to be done we can consider co-operative action in every walk of life. Co-operation is particularly adapted to the needs of the under-developed countries which are in a state of transition from craftsmanship to modern production, and co-operative education and training are equally important in production as well as in distribution. Our Committee, therefore, after learning with interest of the results already reported, urges the generalisation and expansion of methods involving the sending of experts to, and the reception of trainees from, the under-developed countries. This, of course, is possible only with the entire co-operation of the I.C.A. Documentation may be useful where new countries are drawing up legislation on Co-operation.

In view of the work to be done it has been decided to hold more frequent meetings of the Committee in order to reinforce its action. We have organised a meeting of experts in conjunction with the Housing Committee for the study of production methods, and it has been decided to facilitate exchanges between experts in the different fields by the setting up of a permanent study group. Our contribution is a very modest one and in keeping with our means, but there is great enthusiasm and we have great confidence in the future.

Agricultural Committee.

Mr. A. A. Drejer, Denmark, Chairman of the Committee: I should like to refer you to the report on the work of the Agricultural Committee which appears in the *Agenda and Reports*. There, Miss Polley has indicated the main points in the work of the Committee, and I shall not repeat what is stated there. I wish to emphasise, however, the place which agricultural Co-operation should occupy in the work of the Alliance. What we suffer from is too little participation in our work, and this makes our work more difficult. I appeal to the delegates present, therefore, as representatives of the national organisations to do their best to find the right people to take part in the agricultural work of the Alliance. This is necessary because of the importance of agricultural Co-operation within the Alliance and because I know from experience how important it is in the developing countries and how important it is that the Alliance should help them with their problems.

The main task of the Agricultural Committee is to prepare and bring about contacts between interested groups. We are trying to do two kinds of work, the collection and dissemination of information on the one hand and practical work for agricultural Co-operation on the other. In the latter case, after holding our

conference in Denmark for those actually engaged in the export and import of butter and other dairy produce, we are considering the convening of similar conferences to deal with other agricultural products in the same way, and we hope to have an opportunity to do so. We have offered our help to the Technical Assistance Sub-Committee and are anxious to make our contribution in this field.

At the Conference held here in Lausanne it was suggested that we should have a special sub-committee of representatives of organisations in the South-East Asian region. I hope that all delegates will read our printed report, because it gives, as I have said, the main points of our work over the last three years. My experience of the Auxiliary Committees of the I.C.A. has led me to believe that they play a very important part in the work of the Alliance and that their activities should be better known and appreciated. They are not concerned with politics or with theoretical matters but with down-to-earth problems. They keep their feet on the ground. There should be a better knowledge of what they are doing and what they hope to do.

Mr. V. Menghi, *Confederazione Cooperativa Italiana*: I wish to make a few remarks on agricultural Co-operation. The Alliance was set up mainly on the initiative of consumers' co-operatives and only at a later stage did agricultural co-operatives join it. Even today the representation of agricultural Co-operation is not adequate, in view of the size of the agricultural co-operative movement. Since consumers' co-operatives receive from agriculture many of the products which they distribute to their members it is necessary for them to have very close relations with the agricultural world, but that is not enough; the link should always be based on co-operation. There is a sort of interdependence and there should be reciprocal relations between these two types of co-operative, and, therefore, I believe that we should do something more for agricultural co-operatives.

I was not able to be present at the Agricultural Conference last week, but I have obtained information about what was said and done there. Among the things that I appreciate most is the fact that specific reference was made to the need at world level to tackle credit problems which are not easy to solve within individual countries, and in regard to which agriculture and agricultural Co-operation are almost ignored by the World Bank so far as its present policy is concerned. The setting up of a special organisation to provide for the financial needs of agriculture and agricultural Co-operation and the promotion of the rationalisation of agricultural production and the increase of consumption could well represent an important step forward towards improving the difficult situation in the developing countries. It is certainly desirable for us co-operators to come to some agreement under the aegis of the Alliance to set up an international bank whose sole purpose would be to finance co-operatives working in the agricultural sphere. That would be an excellent way of showing our solidarity and would redound to the credit of every one of us. Such a bank could issue shares which it would not be very difficult to get taken up. We have a duty not to put on one side a question the solution of which is all-important for the millions of small producers associated with the co-operative movement, and especially to the agricultural co-operatives of the developing countries.

I wish to thank the Agricultural Committee, therefore, for having emphasised the great importance of this idea, which I commend to the authorities of the Alliance, in the hope that at the appropriate moment they will take steps to secure the creation of a suitable institution for agricultural Co-operation, which will be of great importance to all the movements associated in our international family, and to ensure that this question shall receive the attention of the Governments concerned.

Housing Committee.

Mr. H. Ashworth, Great Britain, Chairman of the Committee: I have the honour to submit to Congress the report of the Housing Committee, which is Appendix V in the *Agenda and Reports*. It contains an account of the meetings and of the work of the Committee in the last three years. I think I may say that this work is now falling into two fairly well-defined channels. In the first place the Committee provides a meeting-place and a forum for the exchange of opinions, ideas, plans, and methods of providing houses between the well-established, and, I am sure I may add, successful co-operative housing associations and societies which are active participants in its work. Secondly, and especially since the last Congress, the Housing Committee is trying to provide assistance, information, and encouragement to the emergent housing co-operatives in the developing countries and to others whose ambition it is to establish such co-operatives. I believe that here there is a useful and indeed essential function for the Committee to perform for many years to come.

To me personally, but of course as a representative of the Housing Committee, the period under review will always remain outstanding because of the opportunity which it gave me of accompanying the I.C.A. delegation to the S.E. Asian Conference in Malaya. This was indeed a great experience and one in the course of which I had the opportunity of learning at first hand of the struggles and problems of the existing housing co-operatives and of seeing how vast a task there is in the housing field in the countries which I visited. I hope that now that the regional office in New Delhi has been opened we shall have a link with this region which will enable us to do useful work.

Last week we held here in Lausanne a Housing Conference, and at that Conference it was resolved by an overwhelming majority to recommend to the I.C.A. Executive once again that there should be set up a single international body to deal with housing instead of the many United Nations bodies which are now operating in this field. We hope that it may be possible to have discussions with these other bodies to bring about this one central organisation.

Finally, we were very happy, last week, to have a joint meeting with the Committee of Workers' Productive Societies, when we made a good beginning to what we hope may prove a useful and informative collaboration with that Committee.

Mr. W. J. Campbell, U.S.A.: It is a great pleasure to be able to speak to supplement the splendid report made by Mr. Ashworth. In the housing field we have come to the conclusion as members of the Housing Committee of the I.C.A. that there are three great world problems which underlie the life of the people as a whole: the need for food, the need for health, and the need for shelter. The United Nations has established specialised agencies in the field of food (F.A.O.) and in the field of health (W.H.O.), but up to date there has been no specialised agency devoted to the great problem which faces us throughout the world in the housing field. For that reason our Committee has asked that the I.C.A. and its member organisations shall seek to promote a United Nations Housing Agency.

The housing need is great in the developed as well as in the developing countries of the world. There are 15 million families inadequately housed in the United States alone and probably a billion people throughout the world who do not have adequate shelter. We feel that the splendid work which the United Nations is doing today on housing through some of its other agencies is a step in the right direction but is inadequate. It is not until there is a specific drive by the United

Nations and by all the nations together that this problem of housing will be solved. For this reason I plead with you to approach the national Governments of your countries, because the decision on whether or not the United Nations will establish a specialised agency on housing will be made by your Government delegations and ours in the Economic and Social Council and the General Assembly of the United Nations, and it is there that the decision will be taken whether or not to give this problem of housing a high priority. For that reason I ask you when you return home to appeal to your Government to support a resolution for the creation of such an agency.

In our lifetime we have seen the creation of the United Nations itself and of the F.A.O., UNESCO, and other great specialised agencies, and there is no reason why we should not move boldly forward in asking the United Nations to take this next step for a specialised agency for housing.

Mr. L. Robert, *Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré*, Paris: It is necessary for us on housing matters to have close collaboration with inter-governmental organisations, and particularly with the Economic Commission for Europe. I know the financial difficulties of the Alliance in appointing a permanent housing secretariat, but permanent work ought to be done, and in the field of Co-operative housing more collaboration is necessary with the specialised bodies of the United Nations. That is why we take the liberty of saying to the Central Committee of the I.C.A. that the problems of Co-operation in the housing field should be given more attention, and in particular our collaboration with the Economic Commission for Europe should be strengthened. We are grateful for the opportunity to raise this question. We are very appreciative of what Co-operation has done in the past, but are also aware of the importance at the present time of workers' housing. We feel that the co-operative movement has to play a more important part in this social activity of the provision of adequate housing. That is why we feel that the I.C.A. should develop more effectively its housing work by a wider representation, irrespective of politics, of the co-operative housing movements which now exist. The work of the Housing Committee should be better organised. We shall be happy if in future a reform in the method of constituting the Committee enables other housing movements to join us. We need greater collaboration with other organisations working in the housing field, including governmental specialised and regional agencies.

The President: I would point out that a Committee of the I.C.A. can only convene movements which are members of the Alliance.

Mr. A. Johnsson, H.S.B. Sweden: I am very grateful for this opportunity to add a few remarks on the report of the Housing Committee. I should like to underline what Mr. Campbell said about the need for housing and the feeling of the Housing Committee that there was need for closer collaboration between the international organisations working in this field. We feel that the problem of housing is a profound one and that we have to devote more attention to it than ever before. We also note that there is all over the world an increasing interest in co-operative housing, and there is a broad field of activity for the I.C.A. in this matter. The I.C.A. Housing Committee feel that we have to face our obligations in this matter vis-à-vis the other international bodies which deal with housing and to have better collaboration with them. We are grateful for the work done by the secretariat of the I.C.A., but we should like to have more attention paid to this. All of us in the organisations affiliated to the I.C.A. are willing to contribute to this work, but there are, I am sorry to say, differences about the way in which this should be done. There

are tendencies towards taking some of this responsibility outside the I.C.A. and forming a platform on which housing co-operatives can discuss their problems. This may be a problem for housing co-operatives to discuss themselves, but in many countries, apparently, housing co-operatives have not reached a proper standing, and I come to the rostrum to invite the well-established co-operative organisations to assist the co-operatives which are not yet properly educated and established and see that they are brought within the international work in Co-operation for which we think the I.C.A. is, and will be for a long time in the future, the appropriate organisation.

Co-operative Wholesale Committee.

Mr. Albin Johansson, Sweden, retiring Chairman of the Committee: I should like to inform you that Mr. Meins, of Hamburg, has been elected Chairman of our Committee. I would add that we believe that the developing countries are anxious to co-operate with us. If they will tell us their needs it may be possible to send experts to them to see what the possibilities are.

We are considering the questions of oil and margarine. There are big private monopolies in these fields, and it may be thought that it is difficult for co-operatives to compete with them. They have a great deal of money, but we have our co-operative membership, and the understanding and collaboration of our members is much more valuable than money. I believe that in these fields we can do useful work and help to bring down prices. Action on these lines should be taken in all countries where monopolies are not protected by the State. In Sweden we have had to face this competition, but now we are the biggest producers of margarine and oil in the country and we have been able to bring down prices very considerably and yet make a profit. I recommend all of you, therefore, to deal with this big task as well as you can. I am sure it is possible for us to do very good work.

Committee on Retail Distribution.

Mr. C. A. Anderson, Sweden, Chairman of the Committee: Our report is printed as Appendix VII to the *Agenda and Reports*, where we give an account of our activity and our programme. It was agreed at our first meeting at Brussels that the work of our Committee shall be carried on to a large extent through working groups consisting of members interested in specific problems. The two main groups so far set up are the working group on non-food shops and the working group on food shops. Under the auspices of the Nottingham Society, the non-food group arranged a conference for the representatives of co-operative departmental stores, and at this conference subjects of great importance were discussed. The discussion covered a great part of the problems which department stores, and therefore the movement as such, have to face in meeting present-day competition. A conference such as this, however, can hardly deal with all the details of the problem. Being thoroughly aware of this, the Management Sub-Committee suggested to the working group that it should appoint two "Erfa-groups" of members of department stores to undertake detailed studies. As a result of this two such groups have been appointed and at the end of this month will have their first meeting at Stockholm. The subjects to be discussed are the functions of selling and buying and the speed of turnover as a key to profitable retailing. We all believe that the experiment of having these first two "Erfa-groups" will bring forth results of great interest.

The Committee realise the great value of making use of the accumulated experience of co-operative societies in the field of retailing, and it is for this reason that the conference at Hamburg was held last April. This conference was announced and agreed upon at the Ordinary General Meeting in Paris in January of this year, and planned by the working group on food shops in collaboration with the German organisation in Hamburg. In this connection I would draw attention to the question of publishing reports. All the member organisations have had a report of the Hamburg conference, but in most countries it has not been published. I invite the central organisations to consider the importance of publishing reports. The Hamburg conference was attended by executives of the affiliated societies of twelve countries.

As a continuation to this conference a technical conference is now being planned. This conference, which will be a shop-level conference, will deal with such subjects as food retailing, shop planning, and shop control. The conference will be held in Copenhagen on 13th-15th February, 1961. At the end of this month the member organisations of the Committee will be invited to nominate representatives to this Conference, the purpose of which will be to find new ways for societies to improve their capacity to compete through the exchange of practical experience. The Management Sub-Committee is of opinion that there is a definite interest on the part of the societies to use this medium for the inter-co-operative exchange of experience.

I should like to thank the national organisations which have shown an interest in the future of modern developments. Many of us have different opinions on many questions, but here we have an opportunity to do practical field work for our members to make for a better future for them. Please let us do that.

International Co-operative Petroleum Association.

Mr. Howard A. Cowden, U.S.A., President, I.C.P.A.: It is with a great deal of pleasure that I present the report on behalf of the I.C.P.A., and I confess that I take considerable pride in some of the things that they are reporting to you. I also think that this may be an appropriate time to discuss oil, because so far as some of the discussions which have taken place here are concerned a little oil on the water might be a very good thing!

The I.C.P.A. began its 14th year of operation at its annual meeting in Rotterdam last Friday, and there we took two very important decisions. One of them may prove to be an historic decision. The first decision was to build, either at Rotterdam or Amsterdam, an oil-blending plant. This will be done to save costs on lubricating oil to co-operatives in the north and west of Europe, and secondly it will make it possible to give a much better service to the smaller co-operatives which use our facilities.

The second decision was this. For many years we have talked about the production of crude oil on a co-operative basis internationally. It was decided at the meeting last Friday at Rotterdam to begin some exploratory work in North Africa almost immediately, and we think that our crews will be working there before Christmas. It has been said here several times that we are not doing very much commercially on an international basis. I would remind those who made those statements that here is an organisation with national and regional members in 22 nations who have found a way to join together in searching for one of the great raw materials of the world. We are starting to look for what we call in the United

States black gold, a raw material which the developing countries badly need at a reasonable price if they are to develop as they should industrially and agriculturally. I hope that the attempt which we are making will result in a substantial production of crude oil over the years.

I should like at some time to be able to announce to Congress that we are going to build a co-operative refinery on an international basis, and then we shall be able to supply completely free of any monopoly or cartel so far as supplies of petroleum are concerned.

The actions which I have reported were taken last week with a great deal of enthusiasm. One of the members, as the meeting was about to close, said, "This is the turning-point in international petroleum development." These two decisions taken together mean, I believe, that that is correct.

We have increased our membership during the past year by admitting a new organisation in India, the Indian Oil Company, which has been set up for the purpose of taking a share of the Indian petroleum business on a co-operative basis. We have several other applications pending. We have 34 members in 22 nations at the present time. In the comparatively short time for which the I.C.P.A. has been in operation we have created a very sound financial condition. It is small compared with some of the great wholesale organisations represented in the membership of the I.C.A., but we started from nothing and today the members have equities of more than \$900,000, and most of it is liquid. Our current assets are nine times our current liabilities, which should give us the money with which we can take the important steps about which I have spoken. The I.C.P.A. membership includes both consumer and agricultural groups, and the growth of some of these co-operative oil associations during the past few years has been phenomenal. In Egypt the Co-operative Petroleum Association has almost 50 per cent of the total oil business in the country. The Swedish society has 20 per cent of the total Swedish consumption and is growing faster than its competitors. The Central Bureau in Holland has grown quite rapidly; I do not know what percentage of the total business of the country it supplies, but it is a very substantial amount, and I understand that the Government of Holland considers it one of the major suppliers. In the new nations of Israel, co-operatives now handle more than 40 per cent of the total national supplies. We were very glad to get a report from Scotland and to learn that the Scottish C.W.S. now has a number of service stations which it has secured during the past year, and plans to increase the number.

A word about petroleum co-operatives in the United States. We now supply 20 per cent of all the agricultural petroleum needed in the United States. We are operating 11 refineries and close to 2,000 oil wells. This pattern of development is being followed in other countries as well as in those that I have mentioned.

In addition to the commercial aspects of the I.C.P.A. I would remind you that the I.C.P.A. works closely with the I.C.A. in the United Nations for the reduction of world tension brought about by oil. Last year Albin Johansson and I met the Secretary-General of the United Nations, Dag Hammarskjöld, and several of the Under-Secretaries, to discuss this problem, and our discussions have continued in collaboration with the I.C.A. and the appropriate U.N. officials. We continue hopefully in the belief that the United Nations will eventually take steps for the creation of an authority which will provide better machinery than we have now for protecting the interests of consumers on a global basis. We proposed at previous I.C.A. Congresses that plans for the world-wide control of petroleum resources be put into effect. There is growing evidence that the Economic and Social Council

is moving towards serious consideration of the problems of oil; at its April meeting in New York oil resources, particularly in relation to the developing countries, was on the agenda for the first time.

Particularly in the developing countries the I.C.P.A. and its members can render valuable assistance in petroleum, and I should like the delegates here from the developing countries to realise the fact that here is an international society which is functioning, and it has personnel and sources of supply that can be of real assistance to them whenever they want to start up in petroleum supply. We have found that the Governments of many of these countries are eager for co-operatives, and much aid can be given by I.C.P.A. members such as Egypt. Egypt has a system of co-operative production of petroleum products which might be a pattern for some of the new States to follow, and Egypt is very anxious to help in any way possible. The nations represented in the I.C.P.A. have demonstrated that Co-operation and democracy go hand in hand in the building of a strong national society. The I.C.A. is the medium through which we can convey to the peoples of all other countries the advantages of the co-operative approach to economic problems. This is the goal of our organisation and must stand out in all our statements and actions, so that we can fulfil the purposes which we had in mind when we organised the I.C.P.A. in 1947.

Resolution on the Report of the Central Committee

The President: That completes our examination of the appendices. We now come to the resolutions proposed by the Central Committee. There is only one, that on Peace. On this question the Executive proposed a text to the Central Committee and the Central Committee examined it and it was approved unanimously by all the delegations. I move the resolution on behalf of the Central Committee.

PEACE

At its 21st Congress the International Co-operative Alliance, in the name of its 148 million members, addresses itself to the 15th General Assembly of the United Nations

TO DECLARE its conviction that the creation of conditions which will weaken the will to aggression, reduce tension, and open ways to peaceful co-existence of all nations, must be the overriding aim of world statesmanship;

AND TO URGE

The resumption at the earliest possible moment of negotiations for a general agreement on universal and complete disarmament under an efficient system of inspection and control;

The increase of the technical and financial resources available and the acceleration of all measures which will permit the United Nations to help newly emancipated peoples in their economic and social progress.

The Congress reiterates the deep conviction of the International Co-operative Alliance that the United Nations must be reinforced in authority and effectiveness, as the indispensable means whereby the security of all nations, and especially the dignity and independence of those nations which have recently attained self-government, can be guaranteed.

Mr. V. C. Parashar, India: I want to say a few words on this resolution. I wanted it to be elaborated and to say something about preventing the nations from adding to the existing tension. In the paragraph beginning "The resumption . . ." I wanted to add, after "system of inspection and control," the words, "and in the meanwhile nothing should be done which would endanger peace and increase the tensions between nations." Again, the resolution refers to the newly-emancipated peoples, but it does not say anything about the nations which are not yet free. I think that it should be made possible for the United Nations to provide all the necessary technical and other assistance to those countries which still await freedom. I do not want to say more, because otherwise the resolution is very clear and I recommend Congress to accept it.

The President: This resolution was accepted by all the national delegations, but now you are beginning to discuss it all over again. You will readily understand that at this stage we want to send a unanimous message to the United Nations. I ask those who speak not to discuss commas or split hairs.

Dr. M. Bonow, Sweden: For the very reason indicated by the President, that this is a resolution which has been unanimously adopted by the Central Committee, on which all the movements affiliated to the Alliance are represented, I move that the question be now put.

The motion was seconded by several delegates and carried.

The President: I put the resolution to the vote by show of hands, but first I shall read it. It has been the custom to address the Peace resolution to our members, but this is an exceptional occasion, because both the Congress of the Alliance and the General Assembly of the United Nations are sitting at the same time. We feel, therefore, that the Congress should address itself directly to the General Assembly of the United Nations in New York in the terms of a unanimous resolution. *The President then read the resolution and put it to the vote. A vote by show of hands having been taken, he said:* I declare the resolution carried unanimously. (Applause.).

Amendments to the Rules of the I.C.A.

The President: We now come to the amendments to the Rules. On this subject I have received a very large number of requests to speak, and I ask leave of Congress to close the list of speakers. Is that agreed?

The Congress agreed.

Amendments to the

Amendments proposed by the Central Committee.

Article 8. Eligibility.

Associations of persons or Co-operative Organisations which observe the aims of the I.C.A. and the Policy laid down by its Congress shall be eligible for membership of the I.C.A.

Any association of persons, irrespective of its legal constitution, shall be recognised as a Co-operative Society provided that it has for its object the economic and social betterment of its members by means of the exploitation of an enterprise based upon mutual aid, and that it conforms to the Principles of Rochdale, particularly as regards -

Voluntary Membership;

Democratic Control assured by the election of the administrative organs of the Association by the members freely and on the basis of equality;

The Distribution of the Surplus to the members, in proportion to their participation in the social transactions or in the social services of the Association;

Limited Interest on Capital.

Subject to compliance with these conditions, the types of Associations eligible for membership shall include the following -

- (a) National Unions or Federations of Co-operative Societies of the types mentioned in (f), (g), (h), (i), (j)
- (b) National Federations of Co-operative Unions.
- (c) Regional Unions of Co-operative Societies.
- (d) Consumers' or Agricultural Co-operative Wholesale Societies.
- (e) Co-operative Banks and Co-operative Insurance Societies.
- (f) Consumers' Co-operative Societies.
- (g) Co-operative Societies of Industrial Producers or Artisanal Co-operatives.
- (h) Agricultural or Fishery Co-operative Societies.
- (i) Co-operative Credit Societies.
- (j) Housing and Building Societies.
- (k) Other Associations of persons or Associations which have as their aim the Promotion of Co-operation.

Rules of the I.C.A.

Present Texts of Rules to be amended.

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Limited Interest on Capital.

Subject to compliance with these conditions, the types of Association eligible for membership shall include the following -

- (a) National Unions of Co-operative Societies.*
- (b) National Federations of Co-operative Unions.*
- (c) Regional Unions of Co-operative Societies.*
- (d) Recognised Auxiliary Organisations of affiliated National Unions or Federations.*
- (e) Consumers' Co-operative Societies, Retail or Wholesale.*
- (f) Co-operative Societies of Industrial Producers or Artisanal Co-operatives.*
- (g) Agricultural or Fishery Co-operative Societies.*
- (h) Co-operative Credit Societies, Co-operative Banks, Co-operative Assurance Societies.*
- (i) Housing and Building Societies.*
- (j) Other Associations of persons or Organisations whose juridical status may be different from that of Co-operative Associations.*

Amendments proposed by the Central Committee, *contd.*

Article 18. Rate of Subscription.

I. 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.

Until the Central Committee shall decide otherwise, subscriptions shall be calculated as follows -

Individual Membership.

II. The subscription of each National Union admitted under clauses (a) and (b), and Regional Unions admitted under clause (c) of Article 8 shall be £150.

The subscription of each Primary Society admitted under clauses (f), (g), (h), (i), (j), and Associations admitted under clause (k) of Article 8 shall be in accordance with the following scale -

£3	if membership does not exceed	1,000		
£6	„	is between	1,001	and 3,000
£10	„	„	3,001	„ 5,000
£18	„	„	5,001	„ 10,000
£35	„	„	10,001	„ 25,000
£50	„	„	25,001	„ 50,000
£70	„	„	50,001	„ 100,000
£140	„	„	100,001	„ 200,000
£200	„	is more than	200,000	

The subscription of each Consumer Co-operative Wholesale Society or National Federation of Farmers' Co-operative Marketing and Supply Societies, admitted under clause (d) of Article 8, shall be £50 for each £5 million of trade with a minimum subscription of £50 and a maximum of £1,500.

The subscription of each Co-operative Insurance Society admitted under clause (e) of Article 8 shall be £5 for each £100,000 of Premium Income, with a minimum subscription of £50 and a maximum of £1,000.

The subscription of each Co-operative Bank and/or Central Credit Organisation admitted under clause (e) of Article 8 shall be £120 for the first £1 million or part thereof of Own Capital, an additional £50 for each subsequent £1 million or part thereof of Own Capital, with a maximum subscription of £1,000.

Collective Membership.

III. Collective Membership - or the admission of a National Union or Federation with all its constituent members on a basis that accords the privileges of membership to each of the latter - shall be acquired by a minimum subscription of £150 in respect of the Union or Federation concerned, and a contribution for each National Organisation and each Primary Society included in its membership in accordance with the following scales -

Present Texts of Rules to be Amended.

Article 18. Rate of Subscription.

I. 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.

Until the Central Committee shall decide otherwise, subscriptions shall be calculated as follows -

Individual Membership.

II. The subscription for each National Organisation admitted under sub-sections (a) and (b), Regional Organisations admitted under sub-section (c), and National Auxiliary Organisations admitted under sub-section (d) of Article 8 shall be £115.

The subscription for each Society admitted under sub-sections (e), (f), (g), (h), (i), and (j) of Article 8 shall be in accordance with the following scale -

£	s.	d.				
2	17	6	if membership does not exceed	1,000		
5	15	0	" " is between	1,001	and	3,000
8	12	6	" " "	3,001	"	5,000
14	8	0	" " "	5,001	"	10,000
28	16	0	" " "	10,001	"	25,000
43	4	0	" " "	25,001	"	50,000
57	12	0	" " "	50,001	"	100,000
115	4	0	" " "	100,001	"	200,000
144	0	0	" " is more than	200,000		

Collective Membership.

III. Collective membership - or the admission of a National Union or Federation with all its constituent members on a basis that accords the privileges of membership to each of the latter - shall be acquired by a minimum subscription of £115 in respect of the Union or Federation concerned, a further £57 . 12 . 0 in respect of each National Organisation included in its membership, and a contribution for each Society included in its membership in accordance with the following scale -

Amendments proposed by the Central Committee, *contd.*

Article 18. Rate of Subscription, *contd.*

Primary Societies.

£	s.	d.					
5	0		if average membership does not exceed	300			
12	0		„ „ „ „ „	is between	301 and	600	
1	5	0	„ „ „ „ „	„	601 „	1,000	
1	15	0	„ „ „ „ „	„	1,001 „	2,000	
2	15	0	„ „ „ „ „	„	2,001 „	3,000	
3	10	0	„ „ „ „ „	„	3,001 „	5,000	
4	0	0	„ „ „ „ „	„	5,001 „	10,000	
5	0	0	„ „ „ „ „	„	10,001 „	15,000	
6	0	0	„ „ „ „ „	„	15,001 „	20,000	
10	0	0	„ „ „ „ „	exceeds	20,000		

Consumers' Co-operative Wholesale Societies or National Federations of Farmers' Co-operative Marketing and Supply Societies - £50 for each £5 million of trade with a minimum subscription of £50 and a maximum of £1,500.

Co-operative Insurance Societies - £5 for each £100,000 of Premium Income, with a minimum subscription of £50 and a maximum of £1,000.

Co-operative Banks and/or Central Credit Organisations - £100 for the first £1 million or part thereof of Own Capital, an additional £50 for each subsequent £1 million or part thereof of Own Capital, with a maximum subscription of £1,000.

IV. The subscription of each Associate admitted under Article 14 shall be fixed by the Executive.

V. No National Organisation shall be obliged to pay more than £10,000.

Article 23. Representation at Congress.

Representation at Congress, subject to the full discharge of their financial obligations to the I.C.A., shall be accorded to affiliated Organisations as follows - provided that the Organisations of one country, or of a union of countries, shall not exercise more than 15 per cent of the total voting power of the Congress -

(a) National Organisations admitted under clauses (a), (b), (d) and (e) of Article 8 on the basis of Individual Membership (Article 18 II), shall be entitled to one vote (delegate).

(b) National Organisations admitted under clauses (a) and (b) of Article 8 on the basis of Collective Membership (Article 18 III), shall be entitled to one vote (delegate) in respect of membership, and an additional vote (delegate) for each complete £100 of subscription.

(c) Organisations admitted under clauses (c), (f), (g), (h), (i), (j), (k) of Article 8 shall be grouped nationally and each national group shall be accorded one vote for each complete £100 of their global subscription.

Present Texts of Rules to be amended.

Article 18. Rate of Subscription, contd.

£	s.	d.					
4	0		if average membership does not exceed		300		
10	9	"	"	is between	301	and	600
1	1	6	"	"	601	"	1,000
1	10	0	"	"	1,001	"	2,000
2	3	0	"	"	2,001	"	3,000
2	17	6	"	"	3,001	"	5,000
3	12	0	"	"	5,001	"	10,000
4	6	6	"	"	10,001	"	15,000
5	15	0	"	exceeds	15,000		

IV. No National Organisation shall be obliged to pay more than £7,200 per annum.

V. The subscription for each Associate admitted under Article 14 shall be fixed by the Executive.

Article 23. Representation at Congress.

Representation at Congress, subject to the full discharge of their financial obligations to the I.C.A., shall be accorded to affiliated Organisations as follows, provided that the Organisations of one country, or of a Union of countries, shall not exercise more than one-fifth of the total voting power of the Congress:—

(a) National Organisations admitted under sub-sections (a) and (b) and National Auxiliary Organisations admitted under sub-section (d) of Article 8 on the basis of Individual Membership, Article 18 (II), shall be entitled to appoint two delegates.

(b) National Organisations admitted under sub-sections (a) and (b) of Article 8 on the basis of Collective Membership, Article 18 (III), shall be entitled to appoint two delegates in respect of membership and one additional delegate for each complete 25,000 individual members belonging to their affiliated Societies.

(c) Organisations admitted under sub-sections (c), (e), (f), (g), (h), (i), and (j) of Article 8 shall be grouped nationally, and each national group shall be accorded representation on the basis of one delegate for each complete 25,000 individual members.

Amendments proposed by the Central Committee, *contd.*

Article 23. Representation at Congress, *contd.*

Each delegate shall have been for at least 12 months previous to appointment a member of the affiliated Society or Union making the nomination, or of a constituent member of such Union.

A fee of £3 shall be paid for each delegate, and shall be sent to the Secretariat with the nomination form.

Article 28. Central Committee.

The Central Committee shall consist of representatives nominated by affiliated Organisations and elected by the Congress.

In a country, or union of countries, where there is only one affiliated Organisation, the Organisation, subject to the full discharge of its financial obligations, shall be entitled to one representative in respect of membership and additional representatives, not exceeding seven, for each complete £400 of subscription, excluding the President of the Alliance.

In a country, or union of countries, where there are more than one directly subscribing affiliated Organisation, they shall be entitled, subject to the full discharge of their financial obligations, to additional representatives for each complete £400 of their global subscriptions, provided that the Organisations of one country, or union of countries, shall not together have more than eight representatives, excluding the President of the Alliance.

If in a country, or union of countries, the directly subscribing affiliated Organisations belong to different National Movements within the country, or union of countries, each Movement, subject to the full discharge of their financial obligations by the individual Organisations, shall be entitled to one representative for membership and additional representatives for each complete £400 of subscription, provided that the Movements together shall not have more than eight representatives, excluding the President of the Alliance.

Representation in countries where there is more than one Organisation or Movement shall be divided proportionately between the Organisations or Movements. Any cases of dispute shall be decided by the Executive, subject to appeal to the Central Committee.

Any number of representatives of an affiliated Organisation, not exceeding the number to which it is entitled, may exercise the full voting power of their Organisation.

Present Texts of Rules to be amended.

Article 23. Representation at Congress, contd.

Each delegate shall have been for at least 12 months previous to appointment a member of the affiliated Society or Union making the nomination, or of a constituent member of such Union.

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.

Amendments proposed by the Central Committee, *contd.*

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.
- (c) To examine requests from Member Organisations for special consideration regarding the fulfilment of their obligations under Article 18 of the Rules, and if, in the opinion of the Executive, a reduction in the financial obligation of any Organisation is justified, it shall fix the subscription it considers appropriate, also the representation rights of the Organisation concerned under Articles 23 and 28.
- (d) To be responsible for the appointment or removal, and the remuneration, of the staff required by the Alliance.
- (e) To draw up the budget for confirmation by the Central Committee and to control expenditure and receipts.
- (f) To prepare the Agenda for the meetings of the Central Committee.
- (g) To prepare and organise the Congress.
- (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.

Present Texts of Rules to be amended.

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.*
- (c) To be responsible for the appointment or removal, and the remuneration, of the staff required by the Alliance.*
- (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 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.*
- (h) To control the affairs of the I.C.A. between the meetings of the Central Committee.*
- (i) To deal with all questions referred to it by the Central Committee.*

Amendment Proposed by Co-operative Union of Canada.

Article 3. Objects.

The I.C.A. shall have the following objects -

- (a) To be the universal representative of Co-operative Organisations of all types which, in practice, observe its Principles.
- (b) To work for the establishment of lasting peace and security by propagating co-operative principles and methods throughout the world.
- (c) To promote Co-operation in all countries.
- (d) To safeguard the interests of the Co-operative Movement in all its forms.
- (e) To maintain good relations between its affiliated Organisations.
- (f) To promote friendly and economic relations between the Co-operative Organisations of all types, nationally and internationally.

Amendment proposed by Federacion Argentina de Cooperativas de Consumo.

Article 5. Official Languages.

That Spanish be adopted as an official language.

Amendment proposed by Co-operative Union of Western Nigeria.

Article 14. Associate Membership.

That Associate Membership be abolished.

Present Texts of Articles to be amended.

Article 3. Objects.

The I.C.A. shall have the following objects—

- (a) To be the universal representative of Co-operative Organisations of all types which, in practice, observe its principles.*
- (b) To propagate co-operative principles and methods throughout the world.*
- (c) To promote Co-operation in all countries.*
- (d) To safeguard the interests of the Co-operative Movement in all its forms.*
- (e) To maintain good relations between its affiliated Organisations.*
- (f) To promote friendly and economic relations between the Co-operative Organisations of all types, nationally and internationally.*
- (g) To work for the establishment of lasting peace and security.*

Article 5. Official Languages.

English, French, German, and Russian shall be the official languages of the I.C.A. It shall be for the Central Committee or Executive to decide to what extent each language shall be used.

The publications of the I.C.A. shall only be issued in other than the official languages if the affiliated Organisations interested bear the expense.

Article 14. Associate Membership.

I. Co-operative Organisations of any of the types mentioned in Article 8, which through their aims and activity promote the development of co-operation in conformity with the objects of the Alliance, but which, by reason of the fact that in their early stages of development they are receiving outside support, have not yet complete control of their affairs, shall be eligible for Associate Membership as a transitional stage towards full membership.

II. Organisations desirous of becoming Associates shall apply to the Executive on the form to be supplied by the General Secretary, sending with their applications two copies of their Rules (or a translation thereof in one of the official languages of the I.C.A.), last Annual Report and Balance Sheet.

III. Associates, subject to the full and up-to-date fulfilment of their financial obligations, shall have the right—

- (a) To receive gratis the regular publications of the I.C.A.*
- (b) To nominate an observer to meetings of the Central Committee without the right to speak or to vote.*
- (c) To nominate an observer to the Congress without the right to vote but with the right to speak subject to the consent of the Congress.*
- (d) To receive from the Secretariat of the I.C.A. all appropriate services, advice, etc.*

**Amendments proposed by the Co-operative Insurance Society, Manchester,
to the Central Committee's Amendment to—**

Article 18. Rate of Subscription.

II. Individual Membership.

That the following paragraph be deleted:

The subscription of each Co-operative Insurance Society admitted under clause (e) of Article 8 shall be £5 for each £100,000 of Premium Income, with a minimum subscription of £50 and a maximum of £1,000.

III. Collective Membership.

That the following paragraph be deleted :

Co-operative Insurance Societies—£5 for each £100,000 of Premium Income with a minimum subscription of £50 and a maximum of £1,000.

Article 8. Eligibility (for membership).

The Co-operative Insurance Society proposes that the words " and Co-operative Insurance Societies " be deleted from Clause (e).

The General Secretary: I shall be as brief as possible. The amendments to the Rules proposed by the Central Committee are the result of serious study on the part of the Executive and its Sub-Committee during the past three years of the financial position of the Alliance and its needs. As the amendments are presented here, they have been approved by the great majority of the members of the Central Committee.

I shall take the amendments in the order in which they appear in the Agenda. The first amendment is to Article 8, Eligibility for Membership. No change in substance is proposed, but the amended text is a slightly different setting-out of the types of co-operative organisation eligible for membership, to facilitate the application of the proposed amendment to Article 18.

Article 18, Rate of Subscription. This is the most important of the amendments. It has long been the conviction of the authorities of the Alliance that the subscriptions of member organisations should correspond to their development and economic importance. This, as you all know, is laid down in Article 17. Different methods to give effect to this basis of subscription have been studied in the past but no satisfactory solution has been found. In more recent years, as is well known, the method adopted has been to increase the rate of all subscriptions by 20 per cent. Today the limit of contributions on this basis has almost been reached in respect of a number of unions and other organisations not carrying on economic activities, and therefore a new basis of calculating subscriptions on the basis of economic importance is imperative.

While the subscriptions which are now being asked of the economic organisations, and particularly those most highly developed, represent a considerable increase in relation to the very modest amounts they have previously been asked to contribute these subscriptions do not in most cases represent a large percentage of the resources of the respective organisations, and here I do not think it inappropriate to point out that the subscriptions which member organisations in the developing countries are paying to the Alliance represent in a number of cases a much larger percentage of their total resources than is involved in the scales now proposed for the well-developed economic organisations.

If these amendments are adopted, there will inevitably be a number of cases to which special consideration must be given, and provision is specifically made for this in the amendment to Article 33, to which I shall refer later; but here I would say that the power which Congress is asked to give to the Executive has in fact been exercised for a number of years, and some of the delegates here today will know the sympathetic attitude which the Executive has always adopted in such cases.

It can hardly be necessary to emphasise the need for a larger income for the Alliance. Even the members of the Central Committee who have not seen their way to vote in favour of these amendments recognise the need for increasing the resources of the Alliance. All sections of the activities of the Alliance are restricted at present, and that includes collaboration with the United Nations, to which reference has been made today and on which the Director replied. Also, I think that the discussions in Congress have shown how valuable all sections of the work of the Alliance have become. In the sphere of education in particular, reference has been made to the small paragraph in the Report of the Central Committee concerning the decision made many years ago for the establishment of a training institute at the headquarters of the Alliance. I think that the principle of that development is agreed by everybody.

The greatest need for developing the resources of the Alliance is, of course, to maintain the regional office in S.E. Asia and to carry out the I.C.A. programme for the promotion of Co-operation in the developing countries in all parts of the world. Congress may remember that so far such international activities have been financed by means of the Development Fund, to which member organisations have made generous voluntary contributions. While it is felt that these voluntary contributions will be necessary in the future, the Committee have agreed in principle that the promotional work of the Alliance – that is to say, its long-term programme of technical assistance – shall be financed from normal income. That decision has been taken at the request of the Stockholm Congress to the Central Committee to provide a permanent basis for financing this section of our work.

I think that the proceedings of Congress here today have shown how much this new sphere of the activity of the Alliance is needed. The speeches made this morning by delegates from the co-operative movements in S.E. Asia cannot have left anyone in doubt as to the extent of the assistance which they desire and which, I suggest, they have a right to expect. To continue the present basis of contribution would place a limit on the extent to which the income of the Alliance can be increased, and consequently would place a limit upon the ability of the Alliance to fulfil its obligations and carry out its programme. In the opinion of the Committee there must be no such limit, and therefore they appeal earnestly to the member organisations to accept the principle of the amendments now proposed and so far as possible to raise the necessary funds.

The next amendment, to Article 23, proposes that in future representation at Congress shall be calculated upon financial contribution instead of, as at present, on membership. At the same time, the amendment slightly reduces representation rights. The amendment also includes the proposal of a delegate fee for participation in Congress. I think that those who have experience of international congresses know that this is not an original or novel idea. It is felt by the majority of the Central Committee that the introduction of representation on the common basis of subscription is a logical one and a just one, in view of the proposed amendment to Article 18. Moreover, the membership of the Alliance will continue to include an increasing number of young organisations, and it seems desirable and fair that an effort should be made to reduce the present wide gap between their representation and that of the more highly developed movements. So far as the larger organisations are concerned, their maximum voting power under the amendment would be reduced from 20 per cent of the total votes to 15 per cent, but that affects only two national movements. The fact that a number of organisations have not sent the maximum number of delegates to which they are entitled shows that they, like the majority of members of the Central Committee, appreciate that effective representation is not dependent on the number of representatives. I think that that belief has been strongly manifested here by the effectiveness of the participation in this Congress of the delegates from the younger member organisations.

The same idea is the basis of the amendment to Article 28, Central Committee, which proposes to reduce the maximum representation from 10 to 8.

We then come to the last of the amendments, the amendment to Article 33, Duties of the Executive. This, in the opinion of the Executive, is a very important amendment, because it recognises that a number of member organisations are not in a position to pay the membership subscriptions according to the Rules, and not only under the amended Rules but even under the present Rules. I have already said that for many years past it has been the practice of the Executive to give

sympathetic consideration to member organisations that were not able to fulfil their financial obligations. That practice will be continued as sympathetically in future as it has been in the past, and with the added authority which this amendment to Article 33 will give to the Executive.

I move the amendments standing in the name of the Central Committee.

Article 8.

The President: We shall take the amendments article by article. On the amendment to Article 8 no one has asked to speak, and I shall regard that amendment as adopted. Is that agreed?

The Congress agreed.

Article 18.

The President: On the amendment to Article 18 Mr. Dinnage, of the Co-operative Insurance Society, Manchester, will make a statement.

Mr. R. Dinnage, Great Britain: It is necessary that I should explain to Congress why the Co-operative Insurance Society submitted the amendments to Articles 8 and 18 which appear on page 58 of the *Agenda and Reports*. I am a delegate from the Co-operative Insurance Society and also Chairman of the Insurance Committee of the I.C.A., so that I can express not only the views of my own society but also the opinions of the 43 insurance societies which are members of the Insurance Committee.

A short time ago Congress heard from Mr. Lemaire a report on the past work and future plans of the Insurance Committee. I should like to make it clear that the C.I.S. is aware of the need of the I.C.A. for increased contributions, and, even before the Insurance Executive met and made certain proposals, the C.I.S. had submitted a motion substantially to increase its contribution to the I.C.A. As this proposal achieved no result, my directors subsequently decided to support the proposals put forward by the Insurance Committee in June last, one of which was that the Insurance Committee should pay an inclusive contribution to the I.C.A. on behalf of all the members of the Committee on a basis to be agreed with the I.C.A. and not on the arbitrary scale set out in the proposed amendment, which had been prepared without any consultation with the Insurance Executive Committee and which that Committee regarded as quite unsatisfactory for a number of reasons which I do not propose to detail.

As the I.C.A. showed no inclination to discuss the matter either with the C.I.S. or with the other insurance societies, the only course open to my directors, if they wished to support the Insurance Executive, was to propose the rejection of the proposals in regard to insurance societies which are before Congress today. They did this in the hope that it would lead to consultation and an agreed settlement. In fact no discussions took place until last Tuesday in Lausanne, when the Executive of the Insurance Committee was asked to meet representatives of the Executive of the I.C.A. A long discussion took place. No agreement was reached, but the C.I.S. representatives were asked to withdraw their amendment. Following this meeting the Conference of Insurance Societies took place and on Thursday last the Insurance Committee decided very substantially to increase the contribution

payable through the Insurance Committee by its own members, but had no alternative but to leave each of them to decide whether or not they would pay a contribution to the I.C.A.

This left the C.I.S. representatives to decide whether or not to accede to the request of the I.C.A. for the withdrawal of our amendment. It was felt that it would be impossible to withdraw unconditionally, because this would leave the delegates wondering why the amendment had been put forward in the first place and would have been unfair not only to the C.I.S. but to the Insurance Executive, who still feel that the I.C.A. would have been well advised to take their advice. At the request of the available members of the C.I.S. board, a meeting took place between them and representatives of the I.C.A. on Sunday last. The I.C.A. representatives stated that they understood how difficult it would be to withdraw the amendment; on the other hand, my directors stated that they had no desire to embarrass the I.C.A., particularly as it had now been left to each insurance society to make its own decision on the question of contributing to the I.C.A. It was finally agreed by the I.C.A. representatives that they would give an undertaking that the I.C.A. would in future consult the insurance societies before making any further proposal affecting the membership or contributions of the insurance societies. In these circumstances, therefore, on behalf of the board of the C.I.S. I beg leave to withdraw our amendments.

Mr. D. I. Paunovski, Bulgaria: The Bulgarian delegation realises the need for the I.C.A. to have sufficient funds to carry out its programme and tasks. Despite the fact that Article 17 provides that the subscription shall be in accordance with the development and economic importance of the members, the Executive imposed a flat rate increase in the subscriptions. We feel that the authorities of the I.C.A. ought to do some more work and find other means of increasing the resources of the Alliance without changing the Rules, because the proposed amendment to Article 18 will not help; on the contrary, it contains many features which will have a bad influence.

In our view, the best way to increase the financial resources of the I.C.A. would be to admit to full membership those organisations which are now only associate members and to admit as collective members organisations which are at present individual members but which desire collective status.

We feel that the amendments to Articles 23 and 28, in regard to diminishing the number of delegates in Congress and voting rights in the Central Committee, taken together with the proposed increase in subscriptions, represent an absolute infringement of the principles of co-operative democracy and diminish the representative nature of the different bodies of the Alliance. We believe that the Alliance should reconsider very carefully these proposals in order to find a better solution and not to limit but, on the contrary, to widen the participation of co-operative movements in the Alliance.

The President: Perhaps our friends who do not speak one of the official languages will be kind enough to allow the translation of their remarks into an official language to be read immediately. I propose that future speakers be limited to three minutes. Is that agreed?

The Congress agreed.

Mr. Tatu, Roumania: As we showed at the meeting of the Central Committee, we are against the proposed increase in the present subscriptions, which are already sufficiently high and difficult for many organisations, and particularly those in the developing countries, to bear, and also difficult - why should we not say this frankly? - for certain organisations even in highly-developed countries. The Alliance may say that it needs the money and thus has to propose an increase in subscriptions. We can readily understand the need for more money, but we cannot agree with the method in which the Alliance seeks to obtain it. We have always felt that it was unjust to increase subscriptions without first using all the other available means to increase the revenue. We indicated some time ago that one of the most rational means of increasing the resources of the Alliance would be the admission as members of all the organisations which wish to join and which correspond to the requirements laid down in the Rules of the Alliance. Another important contribution to the funds of the Alliance could be obtained by a change of status from individual to collective membership for those organisations which wish to make the change. These are just a few ideas on how the problem of increasing the resources of the Alliance could be solved, and they seem to us reasonable and just. For these reasons our delegation will vote against the proposal to raise the subscriptions.

Mrs. L. Crisanti, Lega Nazionale, Italy: In accordance with the Rules the I.C.A. must be "the universal representative of co-operative organisations of all types which, in practice, observe its principles," and it is also laid down that "every organisation affiliated to the I.C.A. shall pay an annual subscription." It is very important, therefore, that the amount of the subscription laid down by the Central Committee shall not be a hindrance to the admission of new members, and so the subscription must not be unduly high. It has already been raised twice by 20 per cent and now we are faced with an even larger increase. We feel that this proposal should be studied carefully. The present proposals do not seem to us to be logical, because the new scales will be too high for many organisations in the under-developed countries. We cannot expect the movements in British Guiana, Singapore, and elsewhere to accept these repeated increases. Many co-operative organisations in the economically under-developed countries cannot afford to pay even their present subscriptions and are consequently considerably in debt, but that is not their fault. We feel that this is not acceptable, nor is the proposed increase acceptable for many large co-operative organisations.

It does not appear that the increase is necessary. There are some directions in which the expenditure of the Alliance could be reduced. Large sums are expended on the meetings of the guiding bodies of the Alliance and on representation at the United Nations. These items together amount to £4,500 in one year, which is 10 per cent of the subscription income.

The President: The speaker's time has expired.

Mr. B. Doss, U.S.A.: The increasing responsibility for economic policy in the world makes it essential to review the rate of subscription and the rate of representation of our national co-operative organisations. It is not necessary for me to labour at any length the situation which faces the world. The year 1960 has brought crisis after crisis in the international field, but it has also brought increasing opportunities for the creation of a programme of assistance to newly-developing countries. These opportunities can be seized most effectively if there is adequate and effective machinery for international co-operation. This is where the I.C.A. can be an extremely important factor in world development.

To do the job effectively the I.C.A. must be given a more adequate income, so that it can meet the problems and opportunities before us. It is sad indeed that we have not done better for our international organisation. The budget has increased little by little, but that may mean that we have been doing too little too late. As you know, the budget of the I.C.A. was £33,000 in 1957, £37,000 in 1958, and £40,000 in 1959. Calculated in American dollars, this means in round figures \$92,000 in 1957, \$105,000 in 1958, and \$112,000 in 1959. It means that we are trying to run a world-wide organisation on a budget of about \$100,000 a year.

The amendments to the Rules which are before Congress call for changes in the rate of subscription and in representation in Congress and in the Central Committee. These are carefully considered amendments; they have been recommended by the Executive Sub-Committee of the I.C.A. and given careful consideration and approval by both the Executive and the Central Committee of the Alliance. The Co-operative League of the U.S.A., and its member organisations, are very happy to support these amendments and feel that our subscription to the Alliance is being increased by a very moderate amount. If we take account of the growth of our national organisations, the increase in the subscription to the I.C.A. has hardly kept pace. The new increases should not be a hardship to any organisation, but the amendment to Article 33 gives the Executive power to consider an application from any organisation on which undue hardship is imposed. The maximum payments can be made easily by any of the larger organisations in the I.C.A. The Co-operative League is happy to meet its obligations if other members meet theirs, which, of course, we assume that they will do.

Turning to the question of representation, the addition of many new nations to membership of the Alliance has made it necessary to change the representation to give more adequate representation to these new countries. For that reason we support the change which is recommended. The changes cut from 20 to 15 per cent the maximum voting strength in the I.C.A. by the organisations of any one country. This is a very logical step. From the point of view of the Co-operative League the reduction in the number of delegates makes it easier to be fully represented at Congresses and other meetings of the Alliance. Our delegates will be cut from 43 to 28 in Congress, and that is adequate for effective representation, while on the Central Committee the cut will be from 10 to 8. Here again, it is essential for the larger organisations to give up part of their representation in order that the smaller countries may be represented.

Just as the United Nations has been going through a period of growth, expansion, and greater world prestige, so the I.C.A. must prepare itself for an even more significant role than it plays at present.

Mr. Nepomucky, Czechoslovakia: In accordance with the President's request to delegates not speaking one of the official languages I renounce my right to read my speech myself, but this must be regarded as exceptional, due to lack of time. The new system proposed for establishing the number of representatives in the Central Committee emphasises the fact that the number depends on the amount of the subscription. The proposal to reduce the number to eight or seven was motivated by the need to reduce the total number of members of the Central Committee, but to base it on subscriptions is in contradiction to democratic principles. The representation of certain national bodies is increased to the detriment of other bodies which have a bigger membership. The system of determining the number of votes which each organisation has at its disposal is an entirely novel departure and does not take into account the number of members that make up the basis of

co-operative activity. I recommend that the number of votes should be in accordance with the total number of members of the organisation concerned. We sometimes hear speeches here about co-operative principles, but it is not in accordance with co-operative principles to recommend to Congress a proposal the approval of which will mean the loss of the last of the democratic principles which so far has been preserved in our international organisation. The same can be said of the proposal for the increase in subscriptions. It is necessary for the Alliance to balance its budget, but this could be done by the admission to membership of all the organisations which for years have sought to become members and who fulfil the conditions laid down in the Rules. I recommend delegates to reject the proposed amendments, because they go against the principles on which our co-operative organisation should be based.

Mr. E. Vigarani, Lega Nazionale, Italy: On behalf of the *Lega Nazionale* I wish to say that we are in agreement with the proposal that the budget of the Alliance should be increased, because otherwise it will not be possible to carry on, but we do not agree with the method proposed to achieve this. We do not agree with the proposal of a minimum subscription of £150 for collective membership and we are not in agreement above all with the increase in subscriptions in accordance with the number of members in a movement. In our view it would be much fairer to base an increase on the turnover of the society and not on the number of members.

With regard to Article 23, Representation at Congress, here again we regret that we cannot agree to the amendment which bases the number of delegates on the subscription and will mean that Congress will be entirely influenced by the richest and most developed movements. Is this a co-operative principle? Is it not rather contrary to the Rochdale principles? With regard to the Central Committee, it seems unjust to double the sum required for the appointment of an additional representative, raising it from £200 to £400. We would have supported the amendment in the name of Western Nigeria for abolishing associate membership, but perhaps that question can be taken up again at a more opportune moment.

The President: The discussion is adjourned and will be resumed tomorrow at 9 a.m.

Close of Fourth Session.

FIFTH SESSION.

Wednesday, 12th October, 1960.

Amendments to the Rules of the I.C.A.

(continued).

The discussion of the amendment to Article 18 proposed by the Central Committee was resumed.

Dr. M. Bonow, Sweden: First of all I wish to remind those who took part in the meeting of the Central Committee at Paris that already at that time the Swedish delegation, through the President of K.F., Mr. Carl Albert Anderson, made an official declaration that the Swedish co-operative movement would wholeheartedly support the amendments to the Rules tending to increase the financial resources of the I.C.A. I have not asked to speak, however, to remind you of the position taken by the Swedish delegation to which I have just referred, but in order to say a few words by way of comment on some of the speeches made yesterday against the proposed increase in subscriptions.

There are two aspects of this matter which to some extent were dealt with in the speeches by delegates from Czechoslovakia and other countries. On the one hand there is the financial aspect, the subscriptions on which we are now going to vote, and on the other hand there is the constitutional aspect. I am not going to deal with the latter, because I know that my friend Mr. Southern and others will deal with this subject; I shall confine myself to the financial aspect. I wish to say to the delegates who have spoken from Bulgaria, Roumania, Czechoslovakia, and to some extent the *Lega Nazionale*, that they have indeed been covering old ground when they propose to us here that we should solve the problem of the financial needs of the I.C.A. by rescinding the decision taken on the question of membership by the Paris Congress, the Copenhagen Congress, the Stockholm Congress and the vote taken here yesterday on the *Centrosoyus* resolution, because that is what they are proposing; they propose that we should increase the financial resources of the I.C.A. by rescinding the decision of these four Congresses and throwing the doors of the Alliance wide open to the admission of new members. I think we should be clear that it is no use going on year after year with that absolutely irrational attitude of trying to make Congress act incoherently, taking one decision one day and another the next. To propose such a thing is to underrate the intelligence of Congress delegates, who are responsible people from our various co-operative movements.

Leaving that aspect of the subject, I was a little surprised to hear the delegate from the *Lega Nazionale* advocate a policy of cutting down the expenses of the Alliance. I have noticed that the Russian delegation has complained that there is too little activity by the I.C.A., especially in the field of the United Nations, whereas the Italian delegate criticised the fact that too much activity was being carried on by the I.C.A. in connection with the United Nations.

Mr. Tom Taylor yesterday made some very useful remarks and did some very plain speaking. I can illustrate his thesis about the insignificance of our financial contributions to the I.C.A. in comparison with the claims and growing needs, in particular for assisting the co-operative movements in the developing countries, by making a comparison which should give food for thought. I wish to compare the position in the I.C.A. with that in the International Confederation of Free Trades Unions, so far as their programme and the financial means which they are prepared to allocate for carrying out that programme are concerned. These figures give interesting information about the difference between the two world organisations in question, the I.C.A. and the I.C.F.T.U., in this respect. The I.C.F.T.U. has a total membership of 57 million workers, while the I.C.A. has 147 million families in its total membership. The income of the I.C.F.T.U. for 1960 is roughly £340,000. The income of the I.C.A. in 1959 - and I take it that it will be about the same for 1960 - is roughly £50,000. That means that the I.C.F.T.U. has at its disposal an income between six and seven times larger than that of the I.C.A., although the I.C.F.T.U. has only 40 per cent of the membership of the I.C.A. What is still more important is to look into the question of the support which is going to be given to assist organisations in the developing countries. We have raised a Development Fund in the I.C.A., and the I.C.F.T.U. has raised, and is raising, and proposes to do so in the future, contributions to a Solidarity Fund having much the same purpose. How do these figures compare? We know our own figures; so far we have got £50,000 by way of contributions from Great Britain, the Soviet Union, Switzerland, France, Sweden, and certain other countries. On the other hand, the I.C.F.T.U. has a target figure for the end of this year, 1960, of £2,000,000 for their Solidarity Fund, and by the middle of this summer one-third of that amount had already been received. The I.C.F.T.U. has decided in principle to raise in the years 1961-63 another £3,500,000, making an amount of more than £5,000,000 for the period up to and including 1963.

I submit to you that when we compare this very imposing contribution from the workers - bearing in mind that these sums are being paid by the workers through their trades unions and through voluntary collaboration and so on - with what we can achieve and have so far achieved within the co-operative movement, where we have wealthy organisations to which we can turn, such as the co-operative wholesale societies in the different countries, the banks and insurance societies, besides appeals directed to the members themselves, the result is striking. This picture will be somewhat modified by three collections which have been undertaken by national movements earmarked to support I.C.A. projects within the co-operative movement, but these efforts, including what the Swedish movement has done, are quite insufficient compared with the enormous needs which face the I.C.A.

I should like to take up one argument put forward by the *Lega Nazionale* delegate, who pointed out that it would be a very great pity to increase subscriptions, because it would mean that the less wealthy members of the I.C.A. would be severely hit. She was thinking of the movements in the developing countries. I wish to remind you of a very significant fact of which Miss Polley told us yesterday and which is true, and that is that several of the co-operative movements in the developing countries which are now members of the I.C.A. are paying already, in relation to their economic strength, more than wealthy Western co-operative organisations. If cases of hardship have to be considered, we have paragraph (c) of the amended Article 33, which makes it possible for organisations which are very poor, and which may exist both in Western and in developing countries, to have their interests taken care of by paying a purely nominal subscription.

For these reasons I think that there are overwhelmingly strong arguments for supporting the amendments to the Rules proposed by the Central Committee which are intended to increase the financial resources of the I.C.A.

I wish to conclude by recalling a telegram sent by Mr. Churchill to Mr. Roosevelt at a very critical stage in the late war, in which he said, "Give us the tools and we will finish the job." Without making any comparisons in other respects, I appeal to you, if you want the I.C.A. to carry on its important activities, especially in the field of promoting Co-operation in the developing countries, to vote in favour of increasing the financial resources at the disposal of the Alliance.

The President: The conclusion of Dr. Bonow is that which Congress should adopt. Those who have asked the Alliance to do so much more and who reproach it for not having done enough, should provide it with the necessary means. We shall now take a card vote on the amendment to Article 18.

A card vote was then taken on the amendment to Article 18 proposed by the Central Committee. The result, announced later, was

For the amendment.....	809
Against.....	387

There being more than the necessary majority in favour, the President declared the amendment adopted.

AMENDMENT TO ARTICLE 23 PROPOSED BY THE CENTRAL COMMITTEE

Article 23.

The President: We will now pass to the amendment to Article 23, Representation at Congress. The first speaker is Mr. Popov, of the U.S.S.R.

Mr. P. V. Popov, U.S.S.R.: The work which the Congress has to perform under the Rules of the Alliance demands that the composition of Congress should be a representative one, reflecting as fully as possible the interests and wishes of the member organisations. The proposal now before us with regard to representation at Congress, however, seeks to reduce the number of participants in the Congress, and representation is based on subscriptions and not on membership. That basis is appropriate to capitalist organisations but not to co-operative organisations. The principle of Co-operation is one man, one vote, but the proposal here does away with that democratic principle. Standing Order 20 of Congress lays down that a Congress delegate can use up to 10 votes, so that in theory it would be possible for Congress to be composed of only 140 delegates. whereas in the Central Committee there might be over 200. We cannot possibly agree to this proposal, which seems to us contrary to the democratic principles of the I.C.A.

It has also been proposed that we should modify the composition of the Central Committee, and this is motivated by the wish to improve the representation of the under-developed countries. This would be a good idea, but when we examine carefully what the proposal means we find that the effect is quite different from this.

For example, of the 22 countries which are not highly developed but are members of the I.C.A. not a single one will have a larger number of seats on the Central Committee than before, and for Pakistan the number will even go down from two to one. At the same time, the proposal will increase the number of representatives of certain countries, as for example Belgium and Switzerland. Not only will this proposal constitute no gain in terms of absolute or relative numbers to the developing countries, but it will in fact put them at a disadvantage. The representation of the developing countries is a problem which should be solved in a positive manner, but it is necessary to look at it from a different angle. We must do away with the distinction between categories of membership and establish representation in direct relation to the number of members. That is demanded by the principles of democracy. Clearly, therefore, the proposal put forward by the Central Committee for representation at Congress must be rejected, and Congress must tell the Central Committee and the Executive to draw up measures which will do away with the injustice which at present exists in regard to representation. *Centrosoyus* proposes that there should be separate votes on the amendments proposed to Articles 23 and 28.

Mr. C. Mateesco, Roumania: The proposal that representation shall be on the basis of the subscription paid by an organisation is not in our view a just one. It would be very much fairer to apply the principle at present laid down in the Rules, by which representation is based on the number of members in the organisation concerned. Representation based on subscriptions paid does not really reflect the power of the co-operative organisations in terms of number of members nor the status of organisations in terms of their social and economic activity, the more so because the amount of the subscription depends on the category of membership – collective, individual, or associate. For some co-operative organisations the category of membership has been somewhat arbitrarily laid down by the I.C.A. That applies in our case, because although we meet all the conditions for collective membership we have been arbitrarily given the category of individual membership, although an organisation should be entitled itself to select the category of membership which it wishes to have. The Central Union of Consumers' Co-operatives of Roumania, which represents more than 5 million members, is not adequately represented in the Central Committee of the Alliance. Representation in the Alliance based on subscription does not correspond to the size of this organisation in terms of membership nor to its social and economic activity. The position in the co-operative movement is different from that in a limited company. That is why we are against representation based on subscriptions paid, and feel that it should be based on membership, as is the case in the present Rules.

Mr. R. Southern, Great Britain: During our deliberations so far, the principle of democracy has been invoked many times. I offer to Congress the suggestion that we should extend the democratic principle on the basis that those who have most to say should have most to pay!

We are now considering a section of the proposed new Rules, Article 23, which deals with representation at Congress, and here we may seem to be in an anomalous position. There is the manifest and urgent need for increased financial resources. There is the need for increasing support of I.C.A. activities; there is the need for a much greater understanding of I.C.A. problems; at the same time, we feel it necessary to bring forward proposals to reduce the personal participation in Congress and in the Central Committee. I appreciate that that is an anomalous position, but it is one which is quite inescapable.

With regard to representation at Congress, this as before will be based on the full discharge of obligations by members, but there will be provision in the Rules for special circumstances to be considered, so that reduced contributions can be approved for those impoverished organisations which cannot pay at the full rate; but even in those cases the agreed obligation will be the full obligation and there will be no discrimination.

Related to that there is a proposal to reduce the maximum voting power of any participating country. Great Britain is one of those countries which enjoy maximum voting power, and so does the U.S.S.R., but for our part in Great Britain we are fully prepared to accept the reduction to 15 per cent of the total Congress voting strength. It is perfectly fair to base representation on financial contributions. Every country, no matter what its contribution is, will be entitled to send a representative to this Congress, but the larger countries, paying more than the others, will be entitled to send an additional delegate for each £100 of subscription. In this matter the countries paying on a collective basis will have exactly the same representation as the countries paying on an individual basis.

The number taking part in this Congress is about 640. It is a large body for an international gathering and the time has come to look at the size of Congress and reduce it to one which can be more manageable. We who have at present the larger delegations can be expected to make the bigger sacrifice. The representation of Great Britain here is 167 delegates. That representation will have to be reduced to 130, but we are prepared to accept that situation for the sake of making Congress a more manageable organ. I would appeal to other countries with large delegations – France with 50, Germany with 40, Italy with 73, Sweden with 40, the U.S.S.R. with 30 – to support the British co-operative movement in accepting this limitation of their representative strength. It is desirable for practical reasons that Congress should be reduced to about 500 delegates. In this matter we are concerned with the size of the meeting hall and with the adequacy of hotel facilities, and also with the working expenses of Congress, the cost of interpretations and so on. We should also be concerned about the scale of entertainment which the Congress receives from the host organisation. For all these reasons, while there may be some disappointment engendered and some regret that these proposals are necessary, they are important, and we should support not only the financial proposals but these complementary proposals to reduce representation in order to make Congress a more manageable body.

The President: We shall now take a card vote on the amendments proposed by the Central Committee to Articles 23 and 28.

A card vote was taken on the amendments to Articles 23 and 28 proposed by the Central Committee. The result, announced later, was

For the amendments	804
Against	391

There being more than the necessary majority in favour, the President declared the amendments adopted.

The Promotion of Co-operation in Developing Countries

The President: We shall now take the three papers on the Promotion of Co-operation in the Developing Countries and the discussion on them, and therefore it will be necessary to interrupt the discussion on the Rules. We shall hear the Director first, and then the three rapporteurs who will present papers. It has not been possible for us to keep strictly to our Agenda, because this has been made impossible by the very long discussion on Eligibility For Membership.

The Director: It is the wish of the Technical Assistance Sub-Committee that Congress should be put into possession of certain recent facts which for obvious reasons could not be included in the printed Agenda which is in your hands, but which have already been communicated to the Central Committee. They relate almost entirely to what has been happening in recent weeks in South-East Asia, but also refer to what has been decided should happen in relation to Latin America in the near future.

First, with regard to the Seminar on Co-operative Leadership in South-East Asia, which was one of the measures decided on by the Conference at Kuala Lumpur, but the holding of which has been delayed for reasons of which you already know, I should like to say that the arrangements for the seminar are now almost complete so far as its lecture programme and programme of discussion, social events, and so forth, is concerned. The Alliance and the affiliated organisations in India, Pakistan, Ceylon, Burma, Malaya, Singapore, and Japan have already nominated participants. There will be other representatives of ministries and government departments concerned with the supervision and promotion of Co-operation, and there will also be representatives of international inter-governmental organisations interested, namely F.A.O., I.L.O., and UNESCO. The I.C.A. itself will be represented by Dr. Bonow, the General Secretary, and myself. Although we expect to have about 40 people taking part in the seminar, this is not too large a number for effective work. I am sure that Congress will be delighted to learn that the seminar will be inaugurated on 14th November by the Prime Minister of the Indian Republic, Pandit Nehru. That day happens to be his birthday, and we shall therefore be all the more grateful to him for sparing the time for us, because I am certain that he will have something to say of great interest to Co-operators everywhere and not simply to participants in the seminar.

The second matter which I have to report is the progress in organising the International Co-operative Educational Centre for South-East Asia, which will be an adjunct to the I.C.A. Regional Office. This project, as many delegates will be aware, originated in the magnificent effort of our Swedish colleagues in 1958, when in a single year they collected a sum of one million Swedish crowns and went on to ensure that that capital sum would be supplemented by a regular contribution by their members who were willing to surrender one crown of their annual dividend from their society for the purpose.

As the original idea was to use the fund for a Swedish-Asian Co-operative College, a colleague from K.F., Mr. Mathsson, was sent to New Delhi more than twelve months ago to make the necessary preparations. As his work developed, however, it became evident that this project would have a very much better foundation and be very much more acceptable in the region in which it was to work if it were a project entirely on the international plane and not a specially Swedish project. The whole question, therefore, came under consideration by the Board of K.F. and

by the Technical Assistance Sub-Committee of the I.C.A. with the eventual result that K.F. decided to hand over the project so that it might be an official I.C.A. project, but the Swedes would retain their special interest in it and their special responsibility for it in financial matters. That is a very considerable responsibility indeed. As was originally intended, they will find the capital sum and also provide an income for the institution for several years to come. Incidentally, according to the agreement concluded by the Technical Assistance Sub-Committee, on behalf of the I.C.A., with the Board of K.F., it was agreed that the special interest of Sweden should be recognised by their having representation in the Technical Assistance Sub-Committee even if no Swedish member served on it. Secondly, it was agreed that in order that the work of the education centre should correspond to the needs of the region, its constitution would provide for an advisory consultative committee representing the affiliated organisations of the I.C.A. in the region, which could work with the Principal of the institution in working out a programme of studies and other activities. The admonition which we were given yesterday to consult the co-operative organisations of the region was therefore anticipated by the Technical Assistance Sub-Committee and will be, I can assure the Congress, faithfully observed not merely in the Education Centre but in other work which is undertaken by the Regional Office.

Concerning the Regional Office itself, it was decided to take advantage of the fact that Mr. Mathsson was already on the ground and had established relations through a tour of South-East Asia in the Spring with the organisations and the Government departments, in order to open the office on a provisional basis as from 1st September of this year. It is, therefore, possible today to speak of the South-East Asia Office as something already existing, a reality.

Within the last few days it has also been possible to appoint a regional officer to take charge of it, and I am sure that the Congress would like to hear who he is and something about him. He is a co-operator who has been known to us for some considerable time. We first knew him as the Registrar of Co-operative Societies for Burma, but in effect Mr. Nyi Nyi, who is here in Congress as a member of the delegation from Burma, distinguished himself by his enthusiasm for, and his activities in, the co-operative movement for years before he was invited by the Government of Burma to take over the post of Registrar. He occupied that post for several years and after leaving it undertook a technical assistance mission in Malaya for the I.L.O. Having discharged that mission he was free to take up the appointment offered to him by the I.C.A. I am happy to tell you that Mr. Nyi Nyi is to be one of the lecturers in our seminar and will be able to take charge of the office almost immediately; in effect he will be in office from the time that he arrives in New Delhi, in November.

Finally, with regard to Latin America, concerning which one or two delegates have expressed anxiety, the Technical Assistance Sub-Committee has already agreed that a distinguished Latin American co-operator, Mr. Rafael Vicens, of Puerto Rico, will, early in the new year, undertake a mission on behalf of the I.C.A. The exact itinerary has not yet been determined, but it is intended that he should go throughout the continent of South America, visiting co-operative organisations and conferring with them and also with the Government departments interested in Co-operation, and in the end present a report which can be considered by the authorities of the Alliance.

The President: We shall now hear the three *rapporteurs*, and we thank them for bringing to the Alliance their special knowledge and experience of the subjects with which they will deal. The first speaker will be Mr. Henry.

Papers

on

The Promotion of Co-operation in Developing Countries.

- I. How the Work of the I.C.A. might be co-ordinated with that of the United Nations and International Bodies.

by Mr. R. N. Henry, F.A.O.

- II. The Role of Governments in Developing Countries in Promoting Co-operation

by Mr. B. J. Surridge, Co-operative Adviser to the Colonial Office, London.

- III. The Needs of Co-operative Organisations in the Developing Regions and the Contribution the I.C.A. can make toward Them

by Dr. Mohammad Hatta, Indonesia.

The Promotion of Co-operation in Developing Countries

I. How the Work of the I.C.A. might be co-ordinated with that of the United Nations and International Bodies

By R. N. Henry

1. Before considering ways in which the work of the International Co-operative Alliance might be co-ordinated with that of the United Nations and International Bodies, it is desirable first to mention one factor which determines the nature and extent of the programmes and activities of these Organisations. The members of the United Nations and Specialised Agencies are Governments which expect their Organisations to answer to their needs. What such bodies do in the field of Co-operation is, therefore, largely determined by what they are requested to do.

2. The funds which the United Nations and Specialised Agencies use come from two main sources: the Regular Budget made up by annual contributions payable by their member countries, and the Expanded Technical Assistance Budget which is financed by special subscriptions made each year by as many countries as choose to do so. The Regular Programme provides for technical meetings, preparation of papers for publication and the general work of collecting and disseminating information, while the Technical Assistance Programme concentrates more on the provision of experts, fellowships and training centres. The Regular Programme is examined and approved, normally biennially, by representatives of the member countries in Conference; the Technical Assistance Programme is also prepared biennially but on the basis of specific requests for assistance from member countries of the less developed regions. The two programmes, though financed in different ways, are complementary and tend to become more and more integrated.

Agencies interested in the Development of Co-operation.

3. The two Specialised Agencies of the United Nations which have the greatest interest in the spread of Co-operation are the International Labour Office (I.L.O.) and the Food and Agriculture Organisation (F.A.O.). Both Organisations have responsibility for administrative, educational, legislative and structural aspects of Co-operation. Although the I.L.O. is interested in all types of Co-operatives, including Agricultural Societies, it is recognised that F.A.O.'s primary interest is in Agricultural Co-operatives. There are frequent consultations between the two Organisations and they have carried out a number of projects jointly. The United

Nations has a broad interest in Co-operation derived from its general responsibilities for economic and social development in which Co-operatives have an important rôle to play. In addition, United Nations programmes and projects in many fields such as housing, community development, industrialisation, banking and trade promotion, are likely to involve Co-operation as a method. If such projects lead towards the more technical aspects of Co-operation, either F.A.O. or I.L.O. would normally be called upon to provide expert help. Unesco, too, has an interest in the educational aspects of Co-operation. There are other interested bodies, for example O.A.S. and C.C.T.A., and Non-Governmental International Organisations (in addition to the I.C.A.) such as the International Federation of Agricultural Producers (I.F.A.P.) and the European Confederation of Agriculture (C.E.A.).

4. The work of F.A.O. and I.L.O. in the co-operative field may, for convenience, be analysed under—

Collection of Information,

Studies and Publications,

Technical Meetings,

Training Fellowships, Seminars, Training Centres and Institutes,

Technical Assistance through Experts,

Replies to Requests for Advice and Information.

It is expedient to examine the activities of the Specialised Agencies of the United Nations under each of these headings and to endeavour to suggest, under each, ways in which the I.C.A. might aim at co-ordination or collaboration.

Collection of Information.

5. The collection, analysis and dissemination of information is laid down as one of the most important functions of the Specialised Agencies. Each Organisation employs its own particular methods of collecting information. In general it may be said, however, that the work load of the Organisations in relation to their budgetary and establishment possibilities as regards work in the co-operative field leaves but a very narrow margin of time for the systematic and comprehensive collection and analysis of information. Efforts have been made to obtain up-to-date reports on Co-operatives from member countries; some are received regularly but others only irregularly or not at all. These are classified and arranged by regions for reference when required, but up to the present the detailed study of reports, abstracting and the analysis of recent trends have not been achieved. It has, therefore, been necessary, when reports on developments in a particular region, or on a particular aspect of co-operation, are required, to request information *ad hoc*.

6. In the co-operative field the aims of the Agencies concerned would no doubt be greatly furthered by the creation of a comprehensive and co-ordinated system of collecting, analysing and disseminating information. Whether or not

this would require additional financial and staff resources—or redeployment of such—on the part of each Organisation concerned, a close co-ordination of their activities would be essential.

7. The first step would be to discover what kinds of information the Organisations concerned are at present collecting and by what methods, and to arrange an exchange of information of the types which each Organisation considers useful in its work. There is already, of course, some mutual exchange but it does not appear to be adequate. After this it would be desirable to discuss the possibilities of co-ordination and collaboration at a meeting of representatives of the organisations mainly concerned. (Reference will be made later in this paper to the necessity for such meetings at regular intervals.)

8. There is one type of information which would be useful as a basis in discussing technical assistance. This would involve a joint effort by International Organisations to analyse and assess the needs of the various under-developed countries for advice and assistance in establishing or improving Co-operative Movements. After joint examination by the Organisations concerned, the results could be tabulated to indicate in what countries or regions help appears to be most necessary and in what aspects of Co-operation (e.g., organisation, education, credit, marketing, supply, etc.) assistance is most urgently required.

9. The information at present circulated by I.C.A., in particular through the *Review of International Co-operation* and the *International News Service*, has proved to be most useful to the United Nations Specialised Agencies. The recent addition of an *Agricultural Co-operative Bulletin* has been of particular interest. The ways in which the work of the I.C.A. in the collection and distribution of information might be co-ordinated with that of other bodies would become clearer after taking the preliminary steps mentioned above (paragraph 7).

Studies and Publications.

10. All the Organisations mentioned above include some provision in their programmes for the preparation of studies on co-operative subjects. Some of these are published in printed form, others appear in periodicals and a considerable number are in the form of mimeographed papers, some of which have been used as working papers at meetings. The total number of studies, viewed in the light of the resources available, is quite impressive. Nevertheless, it is clear that much remains to be done, especially on studies which are aimed at helping workers in the new Co-operative Movements. It was suggested, at a recent meeting of representatives of International Organisations held in Paris, that an effort should be made to co-ordinate further publication programmes. To this end each Organisation will provide F.A.O. with a list of publications and major working papers issued up-to-date and on the basis of these F.A.O. will prepare a comprehensive list arranged under appropriate headings. It is hoped that such a bibliography will indicate lacunae which might be filled gradually by the combined efforts of the interested organisations.

11. Apart from its participation with other Agencies in the co-ordination of programmes of studies, the I.C.A. could collaborate, on request, in a number of other ways. For example, it could perform a useful service by examining and commenting on draft studies prepared by other organisations, by advising on the choice of consultants employed to prepare studies, and by supplying information on particular subjects for inclusion in publications. Another excellent example of collaboration is the assistance rendered by the I.C.A. to F.A.O. in the publication of the brochure on *Co-operation for Fishermen*.

12. Two types of study may be mentioned which would require the combined efforts of several Organisations -

A Handbook for students of co-operation from under-developed regions who visit countries with advanced Co-operative Movements. This publication, which is under consideration by F.A.O., I.L.O., I.C.A., I.F.A.P., and C.E.A. would be an introduction to Co-operation in Europe in which the various branches of the Movement are outlined.

Studies of recent trends in co-operation either in the advanced or developing countries. This type of study would obviously require a pooling of knowledge by those whose business it is to follow new developments.

Technical Meetings.

13. Regional Technical Meetings on Co-operatives have played an important part in the programmes of F.A.O. and I.L.O. for some years. The two Agencies have convened, either separately or jointly, such meetings in Asia and the Far East, the near East, the Caribbean, South America and Central America. These meetings provide opportunities for experienced co-operative workers to discuss their common problems, exchange ideas and experiences and arrive at a body of opinion suitable for the guidance of future co-operative development.

14. The agenda for the first International Technical Meeting held in a region is usually comprehensive. If another meeting is held in the same region after a suitable period the agenda is more selective and is drawn up after the visit of a co-operative specialist to the region to ascertain the views of the various countries on the problems which are most ripe for discussion. An example of the more restricted agenda is that of the Second Technical Meeting (F.A.O.- I.L.O.) on Co-operatives in Asia and the Far East (1954) where the agenda included: Co-operatives and Government; Expansion of Co-operative Finance; Rural Industrial Development through Co-operatives; Co-operative Marketing of agricultural produce; Contribution of Co-operatives, including co-operative farming, to increased agricultural production; Extension of training facilities and of membership education, and Consumers' Co-operatives in relation to rural development.

15. It may, unfortunately, be difficult for I.C.A. to take an active part in the organisation and conduct of Technical Meetings except perhaps when the venue for the meeting is in a country where the Alliance has affiliated Organisations. Nevertheless, it could be of great advantage if, in future, the organising agencies were to consult the I.C.A. on suitable items for the agenda of meetings and if assistance could be given in the preparation of working papers.

Training - Fellowships, Seminars, Training Centres and Institutes.

16. It is generally recognised that in the developing countries co-operative development is seldom spontaneous, and that Governments have an important rôle to play in the process of promoting the concept of Co-operation, assisting in the organisation of Societies and guiding them during their early years. This guidance and supervision requires the establishment of a government service staffed by well-trained personnel. Assistance in the training of staff of Co-operative Departments in under-developed countries may be regarded as one of the most important contributions which Inter-Governmental Organisations can make to co-operative development. (The training of the staff of Co-operatives themselves, as well as the co-operative education of the people, is equally important; this will be referred to later).

17. Assistance in training is at present given by F.A.O. and I.L.O., under the Expanded Technical Assistance Programme (E.T.A.P.), through Fellowships, Seminars and Training Centres to which may be added, in future, Training Institutes. As in all projects under the E.T.A.P., such activities cannot be initiated by the Specialised Agencies but only in response to requests from the Governments of the countries concerned.

Fellowships.

18. Fellowships usually take the form of a period of study (varying from three months to a year) for selected members of Co-operative and other Departments, or leaders of Co-operative Organisations, in a country or countries where lessons may be learned from the more advanced Co-operative Movements. This does not mean, however, that all fellows are sent to study either in Europe or North America; the most suitable training, particularly for the less experienced staff, is often arranged in countries or regions where the physical, economic and social conditions approximate to those in which the trainee will be expected to implement the lessons he has learnt. For example, fellowship holders from Jordan studied co-operative credit in Cyprus where the Co-operative Credit Societies are widespread and a successful Co-operative Central Bank is operating in conditions comparable to those in Jordan. They have now returned to their country to operate a Co-operative Bank which has been recently established.

19. There are several ways in which I.C.A. assistance might be sought by F.A.O. and I.L.O. in the field of fellowships; for example, advising on the most suitable course of training; assisting in making useful contacts in the countries visited; allocating places in I.C.A. Seminars when the itinerary of the Fellow can be so arranged, and assisting in the preparation of handbooks such as that mentioned in paragraph 12 above.

Training Centres, Seminars and Institutes.

20. Training Centres and Seminars for co-operative staff have been organised by the Specialised Agencies over a number of years under the Expanded Technical Assistance Programme, usually on a regional basis. The usual method of lectures and discussions is employed. There is little difference between Training Centres

and Seminars; the former title is normally used where the training of staff is at the medium level and the latter where the lectures are on wider issues suitable for discussion by senior personnel. Usually the budget makes provision for part or all the travel and subsistence costs of participants. Up to the present the Training Centres and Seminars organised by the Specialised Agencies have been almost entirely regional (e.g. for the Near East, Asia and the Far East, the Caribbean and Africa), or inter-regional (e.g., the Seminar held yearly in Denmark with the active assistance of the Danish Co-operatives). These, however, should be followed up by National Centres at which more intensive training to a larger group of staff can be given. How far this trend will develop will depend upon requests from Governments. There appears to be a great need in some countries for the establishment of permanent Co-operative Research and Training Institutes. The absence of such Institutes is usually due to lack of funds and it is, therefore, of interest to note that Research and Training Institutes of this type are regarded as suitable projects for assistance from the United Nations Special Fund. Where improvement of the general agrarian structure is needed, training in co-operation might form part of the programme of a Research and Training Institute for Agrarian Problems.

21. As far as the co-ordination of the training activities of I.C.A. with those of other organisations is concerned it would be natural for the governmental organisations to give major emphasis to the training of government personnel, while simultaneously the I.C.A. and other non-governmental bodies would concentrate on the problems of training the staff of co-operatives and of the education of members. The I.C.A. could, however, assist the Specialised Agencies by advising on suitable lecturers for Training Centres and Institutes and on specific subjects which are considered appropriate for discussion at Seminars.

Technical Assistance through Experts.

22. Under the Expanded Technical Assistance Programme F.A.O. and I.L.O. have provided experts to advise governments of the less developed countries on the promotion of Co-operation. In some countries, where the first steps are being taken, the advice may be mainly concerned with co-operative legislation and the organisation and training of a co-operative service; in others where co-operatives have existed for some time, assistance may be requested in the development of a particular sector (credit, marketing, etc.). At the end of the expert's assignment a report based on his work and findings, and embodying recommendations as to future action, is submitted by the Agency to the Government. An effort is made to find men who have had experience in the regions in which they are to serve or in another region having comparable conditions.

23. The recruitment of experts with the necessary knowledge and experience is not an easy task. In this connection the wide knowledge which the I.C.A. possesses of Co-operation and co-operative workers throughout the world could be of great assistance to the Specialised Agencies. As Co-operative Movements develop there will be an increasing need for experts with practical knowledge and experience of co-operative commercial or educational organisation, and it may be expected that the I.C.A. will be asked to help in recruiting experts more in the future than it has been in the past.

The Co-ordination of the Technical Assistance Programme of I.C.A. with those of Specialised Agencies.

24. The I.C.A. is an Alliance of Co-operative Organisations; the United Nations and the Specialised Agencies are Organisations of Governments and they must work through their member Governments. It would, therefore, appear appropriate that, in any effort to co-ordinate technical assistance activities, the programme of the I.C.A. should aim at improving the standards of organisation and management of the Co-operative Organisations and the education of members and office bearers, while the Specialised Agencies should advise and assist Governments and their co-operative services. The boundaries in such a division of activities would not, of course, be inflexible since there would be instances where advice and assistance to Governments would also involve assistance to Co-operative Organisations.

25. The fact that the I.C.A. has already embarked on a programme of technical assistance is an indication that the concept of the weak being helped by the strong is not confined to Governments or Governmental Agencies and a confirmation of the principle of mutual aid which should motivate the Co-operative Movement throughout the world. Perhaps it is not too much to hope that the resources of I.C.A. for technical assistance could be progressively increased to an extent when its member Organisations in the less developed countries could have all the advice and assistance they require. The total yearly sum which could be more or less painlessly obtained, if members of the more prosperous Co-operatives in Europe and North America were to surrender a small fraction of their dividend to a Central Technical Assistance Fund, would be considerable.

26. If it were found feasible to increase I.C.A. technical assistance funds by this or other means, it should be possible to organise gradually, region by region, a wider programme on much the same lines as those adopted by the United Nations family. It could include provision of experts to assist in improving the organisation and management of co-operative bodies; advising on technical aspects of co-operatives (e.g. dairying); the grant of fellowships and the operation of Centres for the training of managers and other staff; advising on, and providing equipment for, the education of co-operators. Such a programme of technical assistance would be complementary to those of the United Nations and Specialised Agencies and, provided there were a continuous exchange of information amongst the Organisations (Governmental and Non-Governmental), there should be no duplication or overlapping.

27. The rôle of Governments in promoting Co-operation is dealt with elsewhere on the agenda and no doubt the question of the relaxation and gradual disappearance of government supervision and control of Co-operatives in developing countries will be discussed. It is relevant to the present discussion, however, to remark that the main cause of the retention of government supervision appears to be the lack of competent managers and of members who are sufficiently educated in the co-operative idea to understand how their Organisations should work.

A training programme, financed and carried out in certain regions by the Co-operatives of the advanced countries, aiming at the creation of adequate supervisory machinery within the Movement itself, would make a great contribution towards the solution of this problem.

28. Mention has been made above of a meeting held in Paris in February 1960, at which representatives of F.A.O., I.L.O., I.C.A., I.F.A.P., and C.E.A. met to discuss their programmes. Bilateral discussions had taken place before, but this was the first time the five Organisations deliberated together on their future work. It was generally agreed that the discussions had been most useful and it was decided that similar meetings should be held yearly.

29. The International Organisations (Governmental and Non-Governmental) working in the co-operative field have a common aim; they have also a common weakness - lack of adequate funds with which to finance all the activities which they should undertake in their effort to promote Co-operation throughout the world. There is, therefore, all the more need for the closest co-ordination of their work and for collaboration whenever it is possible. There can be no such co-ordination or collaboration unless there is constant mutual exchange of information, ideas and experience. Co-ordination of efforts may have been inadequate in the past, but the need for it is now more clearly recognised and serious efforts are being made to make it more effective.

HOW THE WORK OF THE I.C.A. MIGHT BE CO-ORDINATED WITH THAT OF THE UNITED NATIONS AND INTERNATIONAL BODIES

Mr. R. N. Henry: I should first like to express my thanks to the I.C.A. and its Executive for giving me the honour and privilege of addressing this 21st Congress. I have some trepidation in addressing such a large Congress of hundreds of co-operators from all parts of the world, all with long experience of Co-operation. The general subject of discussion is the promotion of Co-operation in the developing countries, and my own paper is concerned with how the work of the I.C.A. might be co-ordinated with that of the United Nations and international bodies. My qualifications for venturing to address this Congress on this subject are some years of experience in guiding the co-operative movement in a developing country and nine years as an international civil servant with the Food and Agriculture Organisation of the United Nations, where Co-operation was one of the fields of work which came under my direction. If I may mention a third qualification, it is that I have a strong faith in the potentialities of Co-operation in improving social and economic conditions in the developing countries. I should like to add that although I am designated as being on the staff of F.A.O., I am no longer on the staff of that organisation, having retired in April of this year. This is perhaps an advantage for me, since I may be regarded as independent and cannot be reprimanded by my superiors for any sins of omission or commission of which I may be guilty.

I hope that delegates have found time to read my paper. You will be glad to hear that I do not propose to go through it in detail; I shall, however, follow the general headings, which concern the various aspects of the activities undertaken by the United Nations and the Specialised Agencies. There is one point which may be clear to most of you but is nevertheless worth explaining. The United Nations

and the Specialised Agencies, such as the I.L.O., F.A.O., and UNESCO, are not just secretariats sitting in offices in New York, Geneva, Rome, or Paris and having bright ideas and composing their programmes. They are organisations of Governments and what they do depends on what their member Governments wish them to do.

I have pointed out in the paper that these organisations have two distinct programmes, one which we normally call the regular programme of work and the other the technical assistance programme. It is not unlike what is now developing in the I.C.A. itself with its regular programme and its technical assistance programme. The source of funds or method of financing the two programmes appears to be much the same as is proposed for the I.C.A. For the regular programme the member Governments are called on to subscribe at a fixed rate. That rate is worked out in the United Nations and is based on the national income of the country. For the technical assistance programme, on the other hand, the contributions are voluntary and the various Governments subscribe what they feel that they can give. For the regular programme the budget is normally for a period of two years, but for the technical assistance programme until recently it has been for one year only. There is now a proposal that the countries should commit themselves for two years. It is not easy, of course, to say beforehand exactly how much will be subscribed for the technical assistance programme, and that creates a limitation on its use.

As I have said in my paper, the Specialised Agencies of the United Nations which are most interested in the field of Co-operation are the I.L.O. and the F.A.O. The function of these two organisations so far as Co-operation is concerned has already been explained by their representatives who are present here, and you have heard also of the interest of UNESCO and of the United Nations itself. The United Nations is naturally interested in the whole field of Co-operation, especially when it forms part of a wider programme of industrial development or community development. UNESCO is very interested in the educational side and in the educative value of co-operatives. One example of the work of UNESCO in the field of Co-operation is the publication which it issued some time ago on co-operative and fundamental education, prepared by Mr. Colombain, who is with us today. I have mentioned in the paper various other international organisations which are interested, such as the O.A.S., the Organisation of American States, which has a special interest in co-operatives in Latin America and has undertaken joint projects with both the F.A.O. and the I.L.O. Another organisation is C.C.T.A., the Committee which deals with Technical Co-operation in Africa, South of the Sahara. They too have taken part in and have sponsored various projects which the United Nations bodies have organised. There is also the International Federation of Agricultural Producers, which has a special section and committee on Co-operation, and the European Confederation of Agriculture, with whom I.L.O. and F.A.O. have close relations.

Turning now to the various kinds of work carried out by the Specialised Agencies – and here I am particularly referring to the I.L.O. and the F.A.O. – I have for convenience analysed these under a number of headings, and I should like to say a few words about each. The first is the collection of information, and this for the sake of convenience I can link with studies and publications. All the organisations working in the co-operative field have worked in the sphere of collecting and disseminating information. It is done with varied degrees of intensity and success, but I think we all agree that we have not been able to do so much in this sphere

as we should have liked to do. It requires a great deal of work and considerable staff time. I have mentioned in the paper that recently we held a meeting in Paris, the first of its kind, at which representatives of the organisations which have their headquarters in Europe met to discuss their programmes, to see how they could work together, to co-ordinate their work and to see how long-range programmes could be built up with each organisation playing a part. I think that we all found this meeting very useful and hope that it will be repeated.

At this meeting we discussed the question of the collection of information and the question of publications, and I think that we are on the right road. For instance, in regard to publications, we have first collected information on the publications and papers which each organisation has published so far. These will be examined again to see where the gaps lie, and then an arrangement will be made whereby each organisation will play its part in filling these gaps. I think I may speak for the other organisations when I say that we have found the papers and bulletins issued by the I.C.A. extremely useful to us. It is difficult in some of the organisations to keep track of recent events throughout the world and of new ideas and trends in Co-operation. These are very often mentioned in the I.C.A. bulletins and so can be followed up by the other organisations.

I then mention another method of work used by the organisations, and that is the technical meeting. For the technical meetings one of the organisations – and sometimes more, because F.A.O. and I.L.O. have jointly sponsored a number of technical meetings – will send an officer round a particular region which the meeting is going to serve, in order to find out the wishes of the countries regarding subjects for the agenda. When the reaction of the countries has been obtained the agenda is prepared and the countries to be represented and the organisation itself prepare working papers for the meeting. We have found these meetings extremely useful in all regions. Not only is there the advantage of bringing workers in the co-operative field together to exchange information and ideas, but the meeting produces a report and these reports have been extremely useful in all regions as a basis for planning future work in the co-operative field. The I.C.A. has collaborated with us and sent observers to these meetings, and it could be very helpful to the Specialised Agencies by suggesting subjects for the agenda and by getting ideas from its member organisations and from its regional offices.

We now come to the question of training and here I mention fellowships or scholarships, training centres, seminars, and possibly permanent institutes. Personally, I regard training as one of the most important functions of the Specialised Agencies and I venture to suggest that it should be one of the most important functions in the future of the I.C.A. There is no need for me to explain what the fellowships are. The various developing countries ask for technical assistance in fellowships and the chosen Fellow is sent to a country or countries for a period of training. I may mention here that there has sometimes been criticism that we have sent these Fellows to study very advanced co-operative movements, and that this has not been of the greatest use to them in their own country. We do not, however, always do that; it depends on the level of experience of the Fellow. Very often we send junior personnel to nearby countries where the conditions are comparable.

So far as training centres are concerned, the Specialised Agencies have conducted training centres in various regions. So far they have almost entirely been regional. There is one limitation in the amount of work done in the matter of

training centres, and that is that the amount of the funds allotted to regional projects in the United Nations Technical Assistance Fund is limited to 12 per cent of the total budget, which means that we may succeed in organising a regional co-operative training centre once in two years, or perhaps once in three years. We have held a number of regional training centres, and my own feeling is that these should be followed up by training centres at the national level. That will depend on requests being received from the member countries.

Lastly, I would mention the possibility of training through permanent institutes and the possibilities of these being financed by the United Nations Special Fund. I mention that there are suitable projects for assistance from the Special Fund, and I add that where the improvement of the general agrarian structure is needed training in Co-operation might form part of the programme of a research and training institute for agrarian problems. I have just been told that a request for the setting up of an institute for training in Co-operation only has not been approved by the Special Fund, and it has been suggested that co-operative training should be combined with training to meet other agrarian problems.

As regards possible work by the I.C.A. in the field of training, I have suggested that there is an obvious division of activity, which is that the United Nations and the Specialised Agencies, which are governmental organisations, should help in the training of the personnel of Government services, whereas the training of the staff of co-operatives themselves, the managers and so on, is a very suitable matter for the I.C.A.

The next heading in my paper is technical assistance through experts. In the technical assistance programme of the United Nations Agencies, most of the funds are devoted to the provision of experts. Many experts in the co-operative field have been sent to developing countries, but my own opinion is that the number of experts has been too small. That is because each country is given a ceiling of funds under which it must submit its programme, and a country finds it very difficult to fit in all its needs under that ceiling. There has been a tendency, unfortunately, when it comes to asking for experts in the co-operative field, to give them a lower priority than experts in other technical fields. It is very disappointing to see the requests for co-operative experts being relegated to the second category.

I have described very briefly in the paper and have now summarised the work of the United Nations and other international bodies and I have indicated some ways in which the programme of the I.C.A. might fit in with the programmes of these organisations. The promotion of Co-operation in developing countries is a very worth-while, necessary, and really urgent task which will require the collaboration of all concerned. The greater part of the people of these countries are peasant farmers. Their lives are full of problems, which are all part of the basic problem of poverty. They may have not enough land, their holdings may be fragmented, they may lack the knowledge and education necessary to improve their farming practices, they lack credit facilities, their crops may be sold to creditors or marketed through a chain of middlemen. They cannot obtain their farm requirements or consumer goods at fair prices. They lack small rural industries to provide a supplementary income. All these problems are aspects of the great problem of poverty, but all these obstacles can be overcome and in many countries have been overcome through Co-operation. We have seen it done in some countries and it should be our objective to see it done in all.

Technical assistance will be required for many years to come, coming to the help not only of Governments through the United Nations, but of co-operatives and co-operators. Great work has been done, but not nearly enough. The harvest

can be very great, but the labourers have been disappointingly few. All the organisations working in the co-operative field should work together in a true spirit of co-operation and not one of competition or rivalry. To carry through this task, if the co-operators of the richer co-operatives of the world are true co-operators, imbued with the spirit of mutual aid, it will require from them a small yearly sacrifice, a personal sacrifice from each member and not just a subscription from the organisation. If this could be done, the funds available for the great I.C.A. technical assistance programme would be adequate to give help wherever help is needed. I have heard with great pleasure of the fine example set by Co-operators in Sweden in this way. I believe – and I am not speaking for any organisation, but personally – that it should not be a question of tens of thousands of pounds, but hundreds of thousands, and even of greater sums, because these sums will be required if a really great and useful technical assistance programme is to be undertaken. I hope that I shall live to see the day when such a truly co-operative technical assistance programme throughout the world will be carried out through the I.C.A.

The President: I thank Mr. Henry for his excellent and interesting contribution, made with all the authority of his experience behind it, and I now call on Mr. Surridge.

II. The Rôle of Governments in Developing Countries in Promoting Co-operation

by B. J. Surridge

In 1954 in the United Kingdom there was a Commission of Enquiry "to review crofting conditions in the Highlands and Islands of Scotland with special reference to the secure establishment of a small holding population making full use of agricultural resources and deriving the maximum benefit therefrom." The word "crofter" is defined as one who rents a small holding, especially a joint tenant of a divided farm. It was stated in the Report of the Commission that most of the areas in question were suffering from a chronic lack of capital and credit. The tenant could no longer look to the landlord for credit and the banks were unwilling to advance money except on security which the tenant was unable to offer. Much of the improvement considered desirable on the holding would require the use of machinery which the tenant could not provide, nor could he pay for the hire of machinery. The holdings were poorly stocked due to lack of capital. Many of the roads were in need of improvement, transport costs were high and the remote and scattered nature of many of the communities gave rise to special difficulties in the supply of goods needed, such as fertilisers and feeding stuffs, and in the marketing of produce.

The All India Credit Survey Report, published at about the same time, revealed internal weakness in the rural economy pertaining to the size of the cultivating unit, the cultivator's attitude towards production, his habits of thrift or wastefulness. None of these weaknesses are peculiar to the rural economy in India, but there was also an external weakness. It was shown in the Survey that by and large neither the banking system nor merchants operated in the interests of the rural economy and that, together, they were much more powerful than any combination of factors which could be internally marshalled from the rural economy itself. The internal weakness prevented the cultivator from making use of the external mechanism of banking or deriving his due share of benefit from that of trading, both of which inter-penetrate into the rural economy only through money-lenders and merchants.

It was considered that there was a two-fold task of remedying the internal weakness and rectifying the external maladjustment of the rural economy. The final conclusion was that the choice lay between Co-operation continuing in various degrees to be unable to help itself or to be helped. The essence of the solution propounded was State Partnership. The Survey revealed that though the family budget of the medium or small cultivator might be balanced over the whole year there were no reserves. Debts had to be contracted, and from the harvest the piled up obligations had to be met. Again, the need to borrow arose but, by and large, barring exceptionally bad seasons, the budget was balanced though often the standard of living was low.

The basic problems are similar. Communications are poor. Transport facilities are lacking both to bring in supplies essential for good husbandry and to take out produce. Distances between communities, often in themselves small, distances between homes and holdings, distances to the nearest market town, all these are hindrances to development. The people themselves often lack education in modern agricultural practices. Their holdings are often fragmented and can barely sustain the family. There is under-employment and, not infrequently, a burden of old debt. Branches of banks are few and far between. Competition between the merchants who carry on business in the market towns is almost non-existent and it is their practice to sell goods at a high price and to take in produce at a low price. The ancient Greeks had a saying "know thyself," and it is imperative that there should first be diagnosis before any attempt is made to prescribe a remedy. F.A.O. Agricultural Development Paper *Fact Finding with Rural People* shows the type of investigation required whether on the grand design of the All India Credit Survey or on the local plane, as in the Highlands and Islands of Scotland. The rôle of Government should be to lay down the lines of investigation and, above all, to ensure that suitable persons are chosen to carry it out. For a task of this kind, sympathy and a degree of humility are necessary. To find out how people live, how they work and, in particular, about their debts is a most difficult task. The best that can be hoped for is an estimate, and from that estimate it should be possible to judge how far any proposed Co-operative Organisation can be of benefit. For example, if the net result of loans from a Co-operative Society is merely to appease creditors while leaving the prospective members still more or less in debt to those creditors the Co-operative will be of little real use to them. Investigation, then, should be the first step to be taken by Governments in their rôle as promoters of Co-operation.

Dr. Fauquet in his *The Co-operative Sector* classifies four sectors in the economic sphere. First, there is the public sector comprising all the enterprises run by the State or local authorities through which the central authority seeks to exercise a general control over the economy; secondly, there is the capitalist sector comprising all the enterprises dominated by private capital; thirdly, the private sector proper, comprising all the innumerable non-capitalist units and activities of family economy; and, lastly, the co-operative sector comprising all the forms of Co-operation. In his view relations of the co-operative sector to the public sector are complex, varying with the degree of development of Co-operative Institutions and the political and economic outlook of the State.

In Denmark, for example, the State is disinterested although that country is often referred to as "Co-operative Denmark," and the Co-operative Movement plays a prominent part in Danish economic life. The State has neither supported nor hampered Co-operative Societies, nor has it done anything to regulate their activities or development. Here it is worth mentioning that in Denmark compulsory elementary education for boys and girls was first introduced over 150 years ago, and that adult education through the Folk High Schools was started in the middle of the nineteenth century. It would seem that because of the general high level of education Government intervention was not held to be necessary.

A different attitude was shown by the Government of the United Kingdom towards Co-operation in the then non-self-governing dependencies in a despatch from the Colonial Office in London, dated March 1946. In that despatch it was

stated that the value of Co-operative Societies was no longer a matter of any dispute and that both in the United Kingdom and other European countries in which the Movement grew up and in the countries to which it had later been transplanted, the benefits to be derived from a flourishing Co-operative Movement had amply proved themselves. Apart from the economic advantages the Co-operative Society was stated to have a most important educative value. Thrift, self-help, fair dealing and, above all, a practical training in the working of democratic processes resulted from association of the people in Co-operative Societies. It was considered that there were two principal essentials for the healthy development and maintenance of the Co-operative Movement. The first was that there should be an officer of the Government, usually called the Registrar of Co-operative Societies, assisted by a staff of the necessary quality and strength, charged with the duty of guiding and assisting the development of the Movement. The second was that there should be a proper legal framework in the form of a Co-operative Societies' Law.

Mr. Maurice Colombain, in a report presented to the Government of Turkey in 1950, considered that the Co-operative Movement would not develop there on the lines on which it grew in Western Europe. He pointed out that the people in the greatest need of Co-operation lacked business knowledge and that in the countryside, in particular, there was a grave shortage of educated and enlightened men. In his view it would be wishful thinking if anyone hoped that the people would manage their own affairs straightaway, by themselves, i.e., without help, advice or supervision. He envisaged in due course Regional and National Federations of Societies and until they had eventuated he recommended what he called "an authority for the promotion and supervision of Co-operative Societies," which in its general rôle as guardian of the law would carry out the functions of registration, supervision of the operations of Societies and guidance in formation and organisation with help and advice in management so long as this was necessary and of value. He considered that these diverse functions should be bound together and be the responsibility of one and the same authority, even if some of them were to be carried out by different persons. The authority should also prepare model byelaws to be a support and not a brake, although model byelaws could not possibly cover all eventualities. In his view model byelaws could not all be obligatory though some of them must be as they contain elements of the law. He recommended that there should be a separate staff for the authority with certain aptitudes and knowledge and that they should be specially trained for the work.

The Federal Credit Union Act of the United States of America similarly provides for an authority for registration, supervision and guidance in formation and organisation as well as for standard byelaws, many of which are obligatory. And in the Province of Saskatchewan in Canada, there is a Department of Co-operative Development as the authority, as well as standard byelaws.

Thus in many countries it seems to be generally accepted that there should be special legislation covering the registration and functioning of Co-operative Societies, that there should be an authority for promotion and supervision and that the rôle of Governments is to make provision accordingly. The question then arises whether there should be any limits beyond which Governments should not go.

One view was expressed at an F.A.O. technical meeting held at Lucknow, in India, in 1949, as follows "The rôle of Government in relation to Co-operative Societies should be one of active helpfulness, intended to stimulate co-operative enterprise, to guide it and keep it on sound lines without either attempting to compel or replace local initiative or self-help. Government should, in addition, promote conditions under which Co-operatives will thrive and develop." There was another recommendation to the effect that while Co-operative Societies should be willing to assist Governments in working out their policies they should not be put to financial loss thereby nor should they be called upon to sacrifice their fundamental principles. Five years later, in 1954, at a similar technical meeting held in Ceylon, the connection between Governments and Co-operatives was again discussed and it was repeated that Governments had a definite and distinct rôle to play in the organisation, maintenance, guidance and stimulation of all co-operative activities in a spirit of active helpfulness. These views are in line with the declaration adopted at the Congress of the International Co-operative Alliance held at Zurich in 1946, when it was accepted that Governments were being led to assume direction of the economy as a whole. It was held, however, in that declaration, that the action of the State has limits and it cannot do without the collaboration of Co-operative Institutions. It was held, too, that the Co-operative Movement is entitled to claim from the public authorities the liberty of full development in the fields of public life where Co-operation succeeds in conciliating order, efficiency and liberty by a freely accepted discipline through the principles of self help and mutuality. In the developing countries there is often a dilemma. In the All India Credit Survey, it was stated as follows: "Co-operation has failed, but Co-operation must succeed." The spirit of active helpfulness on the part of Government was believed not to be enough. The Co-operatives had not produced the results sought by the Government. An increase of 21 per cent in production was essential even to maintain existing standards of living by 1961.

It is indeed a problem how best to reconcile the Western conception of an independent Co-operative claiming the liberty of full development in certain fields of economic life with the vital need for rapid progress in production and in rural re-organisation, especially where there is a dead weight of ignorance, illiteracy and apathy among members and prospective members of Co-operative Societies. In India, State aid on a grand scale has been prescribed as a remedy in the expectation that thereby Co-operation will succeed. The ultimate aim of policy is that there should be a Socialist Co-operative Commonwealth and in pursuance of that policy the Co-operative Movement is being organised on the basis of State partnership, to be a major element at the apex and district levels for an indefinite period, but at the primary level for a limited period. Financial aid of the order of 2,250 million rupees is being provided by the Reserve Bank for short, medium and long term loans to State Co-operative Banks at low rates of interest.

The policy of "laissez faire" under which Co-operation grew up in Western Europe is outmoded and the tempo of administration quickens every day. Everywhere is to be found the angry young man in a hurry. Everywhere political leaders are striving urgently for what they believe to be the ideal State.

It is questionable, however, whether direction by Government of a Co-operative Movement along a road which Government considers it should go will produce true co-operators in the sense of Dr. Coady's words "Masters of their own

destiny." Sir Malcolm Darling made this point in an article in the *Review of International Co-operation on State Partnership in India* "... how will self help and mutual help fare with so much done for the members by the Government under the weight of the proposed State structure? It is intended that Government should gradually withdraw from partnership as Societies gradually become more competent to manage their own affairs; but, as India well knows, it is never easy to persuade those in authority that the time had come for withdrawal, still less easy to get employees to train others." In conclusion he asked whether it would not have been better policy to leave the Credit Societies to work out their own salvation "with, however, a larger and better trained staff to help them; with storage, processing and marketing organised for their benefit, and with transport, educational and other obvious facilities greatly increased."

In other words the rôle of Government should be to strengthen the staff of what Mr. Colombain calls "the authority for the promotion and supervision of Co-operative Societies" and on training that staff; more money for training the employees of Societies, better marketing facilities and, above all, money for adult education with a bias towards Co-operation, all of which should result in increased production and in "better farming, better business and better living," the ultimate aim of any policy for rural development. On the assumption that the aim of policy is to make good co-operators, greater emphasis must be laid on co-operative education. A desire for co-operative action has to be created, the mechanism of the Society has to be understood and the imagination and effort of the members have to be awakened. Leaders have to be found, trained, and encouraged to manage the affairs of the Societies in a spirit of self reliance.

In many developing countries there is a need for outside finance for the Co-operative Movement for certain purposes, mainly for medium and long-term loans, as the ordinary channels of commercial banking are not readily available. It is here that the rôle of Government may be to provide finance. In the United States of America the capital for the 12 Regional Banks for Co-operative Societies was provided by the Government, but all Societies borrowing are obliged to take up shares, the aim being for the capital provided by the Government to be withdrawn as and when more share capital is put up by the Societies. In the Co-operative Land Mortgage Banks in India, debentures guaranteed by Government are sold in the open market and these form the basic source of capital. The shares of the Agricultural Mortgage Corporation in the United Kingdom are also under some form of Government guarantee. Government finance, whether direct or by means of guarantees, may be necessary for long and medium term loans, whether to Societies or to individual members of Societies, but for short term or crop loans it seems not only possible but also desirable that money for these should be found through the normal banking channels.

In many developing countries branches of commercial banks are now being set up in country towns and in Kenya, Tanganyika and Uganda in East Africa, also in Nigeria in West Africa, it has been found possible for the Co-operative Marketing and Processing Unions, or, where there is a Co-operative Bank, for the Bank to obtain all the short term loans required by the Co-operative Societies from commercial banks without any Government guarantee. Confidence has been established. There may be a danger in Government guarantees in that borrowing

members of Societies can become disinclined to honour their obligations on the due date in the belief, not infrequently correct, that the Government will be lenient. And indeed, it is sometimes difficult for a Government, in the face of obduracy on the part of the borrower, to enforce its just demands. It is also questionable whether a sturdy self-reliant Co-operative Movement can be built up with dependence on finance provided by Government. The question may be asked whether the circumstances in many developing countries today are so very different from those which the early co-operators had to face in Denmark. Are there no Raiffeisens, Plunketts or Coadys to be found in those countries? Of course there are.

The Co-operative Bank in Cyprus was started in 1936 with £550 as share capital. Financial assistance from Government was not asked for nor indeed in those days would it have been forthcoming. By 1958, 22 years later, the Bank had owned funds of £457,000 and deposits of £2,174,000. During the year it had loaned to its member Societies £1,060,000 and it had provided them with agricultural requisites to the amount of £586,000, mainly on credit.

There is an Italian proverb which says "Who goes wisely goes slowly, and who goes slowly goes far."

THE ROLE OF GOVERNMENTS IN DEVELOPING COUNTRIES IN PROMOTING CO-OPERATION

Mr. B. J. SurrIDGE, Co-operative Adviser to the Colonial Office, London: It is a great honour to be invited to write a paper and to address this Congress. I accepted the invitation with some trepidation, just as Mr. Henry did, and that trepidation has not diminished during the past two days. I have been used to meeting agriculturists, mainly smallholders, the sort of people mentioned yesterday by the Pakistan delegate, meeting them under trees or in village houses or in the offices of small societies in many parts of the world, but from what I have heard during the last two days there are a number of people in this Congress who will disagree, possibly violently, with many of the views expressed in my paper, while others will probably disagree with some of those views. I would assure Congress, however, that this paper has been written from the experience which I have gained over some 30 years in a number of what are now called developing countries, and I have written in the paper what I have learnt and what I personally feel.

Thirty years ago, as an official of the then Government of Cyprus, I was instructed to carry out a survey of rural life in the villages. In those days there were no signposts to guide one in a survey of this kind. I have in mind, for example, the paper published by F.A.O. called *Fact Finding with Rural People*, a most useful document. Nothing of that kind existed at the time of which I am speaking, and I had to try to find my way alone. I went round the countryside and spent nights in villages, talking to people and trying to find out their difficulties and their problems. Hence the suggestion in my paper of the need for investigation and diagnosis. In Cyprus I soon realised the stranglehold which moneylenders and shopkeepers had over the agriculturist, the small peasant farmer. They combined moneylending with produce-buying and were at that time the only source of credit and virtually the only market.

At that time I was given a copy of Sir Malcolm Darling's book *The Punjab Peasant in Prosperity and Debt*, and then a light began to shine in the darkness of my mind. It seemed to me that the only hope for those people lay in self-help and mutual help, with co-operative societies on the Indian pattern. My recommendation to the Government was accepted, and the Government created an authority for the formation and supervision of co-operative societies on the Indian pattern, which worked on the lines described by Mr. Colombain in his report on Turkey quoted in my paper. For ten years I was the head of that authority, the only non-Cypriot member. We set out with no target, but what we tried to do was to create Co-operators, to encourage people in thrift and self-help and to persuade them that they could, through their own co-operative effort, become the masters of their own destiny. Here I would say that one of the most important points in promoting Co-operation is to build up morale, the will to self-help and mutual help. That view, I am glad to see, is shared by Dr. Hatta and expressed in his paper. This does not mean that material aids can be overlooked. They cannot be. The extent and source of the material aid required differs from country to country. Sir Malcolm Darling is quoted in my paper as recommending a larger and better-trained staff to help co-operative societies. Storage, processing and marketing should be organised for their benefit. It should also be the role of Government to increase transport, education, and other obvious facilities. I commend these views to the Congress.

I have quoted in my paper the view expressed at the F.A.O. technical meeting in Lucknow that the role of Government should be one of active helpfulness, intended to stimulate co-operative enterprise, and that Government should promote conditions under which co-operatives will thrive and develop. This is in line with the declaration adopted by your Congress at Zurich in 1946. There is, however, a dilemma: how is it possible to reconcile the conception of an independent co-operative movement, claiming the opportunity of full development in certain fields of economic life, with the essential need for rapid progress in production to maintain even existing living standards and with the need for re-organisation? The dilemma has been stated by saying, "Co-operation has failed, but Co-operation must succeed." In my view if there is to be State aid it should so far as possible be indirect rather than direct. The Government should provide a trained staff to help the societies to run their own affairs, and not run their affairs for them. It should provide educational facilities, especially for members of committees and for training the employees of societies. It should help societies to provide storage for their crops, for processing those crops where feasible and for marketing them. Confidence in the stability of societies can be brought about by regular supervision and audit by the trained staff of the co-operative department. Where there is confidence people will deposit their surplus cash; small in amount though each deposit may be, they will deposit that money in the society. With the growth of confidence, commercial banks can be persuaded to finance societies for certain purposes, just as they finance individual merchants. I have seen this happen in Cyprus, Mauritius, Ghana, Nigeria, Kenya, Uganda, Malaya, and elsewhere.

The staff of the Co-operative Department responsible for the promotion and supervision of co-operative societies have to be trained. The societies have to be formed and the committees have to be taught how to run them. Apathy and mistrust have to be overcome. The help of agricultural experts has been brought in. On the technical side, co-operative societies have taken the lead in the use of fertilisers, in crop spraying and other improved agricultural practices.

It has been possible to produce true co-operators. I have attended many committee and general meetings of primary societies and of unions of these societies in many areas during the last 12 years and have been filled with admiration for the way in which the meetings have been conducted. They have very often been lengthy, but all the members have had their say if they wished to speak. The process, however, is a slow one, so that any help which can be given by the older co-operative movements will be welcome. In my view - this is purely a personal view - this help should preferably be channelled through the I.C.A. rather than given nationally. I would ask Congress to bear in mind the fact that the main body of co-operators in the countries about which I have been speaking are the small farmers, the men and the women with the hoe.

The President: Thank you, Mr. Surrudge, for your paper. The applause with which it has been greeted shows how much it is appreciated. I now call on Dr. Hatta for the last paper.

21st Congress, Oct 1960 Lausanne

III. The Needs of Co-operative Organisations in Developing Regions and the Contribution the I.C.A. can make towards Them

By Dr. Mohammad Hatta

My task is to give a short survey on "The Needs of Co-operative Organisations in the Developing Regions and the Contribution which the I.C.A. can make towards them."

It is my conviction – and the experiences I have in my country, Indonesia, have strengthened this conviction – that Co-operative Organisations are indispensable in developing countries. Because it is only through Co-operative Organisations that the poor economy of the people can be developed and poverty can be changed into prosperity. On the average, the countries which are called the "developing countries" are ex-colonised countries which have only become independent after the Second World War. One of the consequences of colonisation in these countries is that the people are poor in the midst of abundant wealth, with a great lack of skill and without any capital. The dominating capital is foreign capital which has oppressed the life of the people for so long. If people's income in the western countries are so many dollars an hour, people's income in the ex-colonised countries were only a few cents a day. In such an impoverished condition the people were unable to take the initiative to improve their poor fate. There have, indeed, been several hundreds of people who had the energy and initiative to fight for a place "under the sun of the national economy" after the independence, and have become brave national entrepreneurs competing with experienced foreign businessmen. But the great majority of people in their oppressed life were just not able to do it. For the great majority of people, Co-operatives are the only way out of the miserable life. Through Co-operative Organisations the great number of weak ones can be united and arranged to become an organisation that gives hope for the gradual achievement of prosperity.

The history of Co-operatives in the western continent is an example. Co-operatives have done a great deal in establishing some of the "welfare states" we know at the present time. Everywhere we have seen Co-operative Movements being started by the poor section of the people. In England, the initiative was taken by twenty-eight tenacious workers, who mostly were also illiterate. In Denmark, it was begun by some farmers.

Co-operatives are the fruit of poverty and misery in life. The poor worker and the poor farmer are convinced that only through Co-operatives can their fate of distress be improved.

The secret of Co-operatives lies in the will to co-operate for the improvement of a common economic situation. The bases of Co-operation are self-help and solidarity. Through a Co-operative each individual who is a member feels that he becomes strong. The feelings of inferiority which have suppressed his life and views for so long disappear. The belief in a common ability increases. From a selfish individual he has become a social individual who is aware of his own worth.

In a Co-operative each person does not lose his individuality, he does not disappear completely and is not entirely submerged in a collectivity as a member without a soul; on the contrary, through a co-operative he gets to realise his own worth and to be aware of his responsibility for the happiness and the prosperity of all.

That is why I am convinced that Co-operative Organisations are the only way out to raise the economic standard of the Asian and African peoples who have just been liberated from foreign colonisation, and whose countries are called the developing countries.

One of the signs that a country is economically backward is its low productivity and consequently also low wages. For the purpose of developing the economy of what is called an "under-developed country," it is first of all necessary to awaken the productive energy of the population that has hitherto lived under the pressure of an inferiority complex. Only if the belief in oneself is returned can there be economic activities. This can only be achieved - I repeat again - through a Co-operative Movement.

It is, of course, not true that everything can be accomplished through Co-operatives. Large development projects, such as the building of roads, the construction of dams and irrigation works, the generation of electricity, the establishment of basic industries and the like, must be undertaken by the Government through use of money partly obtained from abroad in the form of loans or acquisition. For this purpose the Government must have an organised plan.

But the building up of small and medium economic projects should be undertaken by the population. And because the strength of a people, economically weak, can only be brought about through the Co-operative Movement, Co-operatives are *conditio sine qua non* as a base for the people's economy.

With the utmost awareness we should make the Co-operative Movement one element in the education of the population. It is a good element for strengthening economy and morality. The Co-operative Movement can teach economic and moral awareness because it is based on two principles, which mutually strengthen each other. These two principles are solidarity and individuality, i.e., an appreciation of one's own worth. A good Co-operative is based on these two principles, but the two principles are, in turn, rendered strong by being fertilised by the comradeship ever present in the Co-operative Movement. By continually keeping alive and fertilising this solidarity and individuality, the Co-operative Movement instils in the human breast a feeling of social responsibility.

Solidarity has always existed in the true Asian societies. In Indonesia, for example, the outward sign of this solidarity is the spirit of mutual help. In the real villages of Indonesia all the hard work that cannot be carried out by the single individual is performed jointly. Not only is work which affects the common good performed on a mutual help basis, but even matters of private concern fall into this category. This mutual help is found, for example, in the work of building homes, in ricefields, funeral ceremonies and the like. But solidarity alone can only preserve the bond of association in a static and unchanging society. Solidarity alone cannot prod people into progress. Solidarity alone can preserve social co-operation in such matters as mutual help in the building of homes, but it cannot bring to life economic co-operation for prosperity and for raising the living standard. Economic co-operation calls for individuality as well as solidarity.

Individuality does not come into existence by itself, but has to be made to live in the human soul by means of education and careful nursing. Such nurturing and education, a matter of daily practice in business undertakings, cannot be completed in a short time. On the contrary, it is a long-term process.

The Principles of Rochdale, which in some Co-operative Movements in the western world have been neglected, should very much be adhered to firmly for the development of Co-operatives in developing countries. The division of surplus carried out in accordance with service rendered, and not in accordance with the size of shares in the capital, should be firmly held. Regulations which continuously teach honesty, such as keeping promises, maintaining accurate weights and true measurements should be arranged as well as possible. The system of cash payment should be really carried out.

The members of Co-operatives should be made conscious of the fact that Co-operatives neither give priority to the interests of individuals, nor pursue the interest of a group as combined bodies or monopolies, such as trusts, cartels, and concerns. Although it is organised as a group, besides defending the interests of its members, the Co-operative is also concerned with the public interest. This is very necessary in order that the Co-operatives will get the support of the public.

For example, Co-operatives for consumption in Indonesia, as it is also true in the western world, which have a store of their own, do not only sell to their members, but also to others who are not members. This attracts the public attention to the Co-operative as an organisation that serves the public interest. A small part of the profit gained is divided among the members in proportion to their basic capital. But the greatest part is divided to all people, members or not, who have done a service to the Co-operative in correspondence with their purchase.

Furthermore, it is necessary to have a fixed part of the profits set apart for the education and the instruction of the public. This could be done, for instance, in assisting to set up a school-building, establishing a polyclinic, and the like where the Co-operative is located.

In the western continents social expenses by Co-operatives are considered wasteful, since Co-operatives with small capital should use all their money for enterprises and their own development; further, because all social care is the duty of the Government in urban as well as in rural areas.

But in developing countries which still have to build up many deficiencies, contribution from Co-operatives in the social field is very necessary. This is true especially in Indonesia where the spirit of mutual help is still very much alive. Such a contribution makes the Co-operative become part of the society, since besides taking care of the interest of its members it also pays attention to the interest of a needy society. It also strengthens the feeling of solidarity in the society which, in turn, accelerates the development of Co-operatives. By so doing, the Co-operative teaches its members to cherish high ideals on a basis of reality. This constitutes a moral teaching.

To reinforce and to raise capital the members of Co-operatives are encouraged to save regularly. There is voluntary saving, while compulsory saving is obtained, for instance, from the sales or the rotation of capital. It is stipulated in the constitution of the Co-operatives that a percentage of the sales, or the rotation of capital, let us take for instance 1 per cent or $1\frac{1}{2}$ per cent, should be saved with the Co-operative. Saving is also encouraged among the members in various ways.

This system has proved to yield good results in Indonesia, as can be seen from the figures below -

End of	Total Co-operatives	Total Members		Savings	Total	Reserves
1939.....	574	52,261	Fl.	850,671	Fl.	351,544
1950.....	1,155	—	Rp.	4,500,000	Rp.	—
1951.....	5,770	1,000,324	„	35,313,040	„	3,473,983
1952.....	7,667	1,179,322	„	56,389,371	„	3,262,183
1953.....	8,223	1,392,345	„	89,702,602	„	11,494,418
1954.....	9,614	1,648,037	„	148,195,600	„	27,452,315
1955.....	11,394	2,036,192	„	267,910,017	„	45,932,518
1956.....	11,901	1,990,373	„	394,077,132	„	59,520,974
1957.....	11,863	1,941,719	„	583,132,798	„	101,435,088
1958.....	13,924	2,209,433	„	912,734,130	„	183,144,027

Furthermore, a Co-operative set-up as a democratic economic organisation in which the determination of the output of the enterprise is discussed in the meeting of members by way of deliberation on the basis of one vote to a person, will gradually become a firm foundation for the establishment of a democratic government. The attitude of tolerance and the feeling of social responsibility nurtured in Co-operatives will imbue the development of political democracy towards a right direction. Therefore, Co-operatives in developing countries can become the pillar in the development of democracy in general.

Let us now say a few words about the way to develop Co-operatives, which of course depends on the situation in the respective countries. Experiences in Indonesia have shown that the best way to develop Co-operatives is to start with Credit Co-operatives which will secure the financial basis of each member. Success achieved will strengthen the spirit to act further. Members of a Batik Co-operative, for instance, who formerly bought their material from Chinese and sold the finished batik also to Chinese people, at present are already able to establish their fourth textile factory with a capital of Rp.350 millions. Everything originated from the money saved gradually and without any credit from the Government.

On the second stage, Production Co-operatives are gradually established which, for some part, can develop along the same lines as Credit Co-operatives. The most important of the Production Co-operatives is the Agricultural Co-operative. Right from the beginning the farmer is tied to Credit Co-operatives, but at present the most important task is to raise the agricultural productivity and to carry out efficient marketing through the Co-operatives.

The experiences I have in Indonesia have shown that Co-operatives can eradicate the practices of the usurer in villages, who advances money to the farmer while using the agricultural products yet to be planted as guarantee. The Co-operative will take over the debt. The payment in instalment will be obtained from the sale of the agricultural products of the farmer by the Co-operative at a much higher price than that previously fixed by the usurer.

Differing from the western countries, where Consumers' Co-operatives mostly emerge first, in the developing countries it is precisely the Consumption Co-operatives which do not develop easily. This is the consequence of former colonisation in which the whole economy was dominated by foreign nations. Formerly in Indonesia, during the Netherlands Indies period, big business and big banks were in the hands of the white people, while middle and retail business were dominated by the Chinese. Each time a Co-operative emerged, it was soon suppressed by lowering prices, if necessary even below the market price. Moreover, the Europeans and the Chinese had knowledge about the situation of goods and the condition of markets, a knowledge which cannot be obtained immediately by a Consumers' Co-operative.

Now is the time for gradually setting up Consumer Co-operatives, starting with the Co-operatives of Government Officials and labourers. The National Government should give full assistance by extending guidance, instructions and help to obtain the space for the store and godown. Strict control can guide their development.

What is the contribution which the I.C.A. can give towards them? The contribution mostly needed is assistance in developing the spirit of self-help, because a Co-operative without self-help is not a Co-operative any more. The spirit of self-help can grow properly if there is a cadre of Co-operators who get practical education, training and knowledge. Such a cadre has to be educated, and here is where the I.C.A. can have an important task. The I.C.A. can give its contribution by educating this cadre abroad in Co-operative Organisations and at Training Schools for managers and staff of Co-operatives, many of which have been founded by the Co-operative Movement itself.

Furthermore, the I.C.A. can assist in the growth of Co-operative Organisations in the developing countries by sending literature about Co-operatives and Annual Reports which contain a great deal of guidance about the progress of Co-operatives in various countries.

THE NEEDS OF CO-OPERATIVE ORGANISATIONS IN DEVELOPING REGIONS AND THE CONTRIBUTION THE I.C.A. CAN MAKE TOWARDS THEM

Dr. Mohammad Hatta, Indonesia: My paper is already in print and you all have a copy, so that it is unnecessary for me to read it. To open the discussion, I think it will be sufficient if I bring out the main points and opinions contained in the paper. First of all, in many countries colonialism continued for a long time, and the greater part of the African States which became independent only after the second world war remained under-developed. The difficulties which they face are that their people are poor, and are also suffering from a feeling of inferiority. An inferiority complex is a serious barrier to progress and must therefore be eliminated by systems of education and upbuilding.

Secondly, in order to alter the economic conditions from poverty to prosperity a proper system of development needs to be followed. Large projects such as the construction of main roads, the building of dams and irrigation channels, the distribution of electricity, the establishment of special industries, and other things of this kind have to be undertaken by the Government, and it may be necessary to

obtain the greater part of the capital required for these purposes from abroad, partly as loans and partly as aid. This matter lies in the field of the United Nations. The development of small and medium-sized economic projects, however, should be undertaken by the people themselves by means of co-operatives, because not many people are capable of such work as individuals. The progress which can be achieved has the objective of raising the level of the poorer people, and the idea of Co-operation and the organisation of co-operatives can unite people into a body which is strong. Co-operatives teach the people to be loyal to their colleagues and to have confidence in themselves.

It is important for the building up of co-operatives and co-operative organisations generally that there should be the will on the part of the people to do this. In countries which were formerly colonies but in which there has been a certain freedom of movement, where people were accustomed to take part in political organisations, trades unions and the like, it is not very difficult to start co-operatives, and even during the colonial period there were co-operative movements. On the other hand, it is difficult to start co-operatives in countries which, although now free, were formerly under colonial despotism and where people did not enjoy the same advantages. In these countries some guidance is greatly needed from the Government. This does not mean that guidance by the Government and education in the co-operative spirit are not needed in other countries; they are also needed there, but the path of education is easier or better prepared, because the existence of the co-operative spirit and the organisation of co-operatives promote one another. The organisation of co-operatives is facilitated by the strength of the co-operative spirit, and the co-operative spirit grows stronger with the advance made by co-operative organisations.

The co-operative movement is capable of instilling a sense of loyalty to colleagues and a feeling of confidence which tends to obliterate the inferiority complex which is a barrier to economic progress. We have to awaken a feeling of self-confidence in the people, and only Co-operation can achieve this. The economy cannot be greatly improved if people know only how to take orders and are not willing to act on their own to improve their common life.

With good leadership co-operatives can become an instrument for educating the people. They are a good instrument for strengthening the people's economy and for raising their morale. The co-operative movement must be able to develop those principles which are essential for Co-operation, such as solidarity, which means loyalty to colleagues and at the same time individuality. I say "individuality" and not "individualism." It is a principle of co-operative philosophy to place the individual in the forefront, but Co-operation rejects individualism. A co-operative movement which is able to develop solidarity and individuality as principles will also be successful in impressing on the human beings who are its members a sense of social responsibility.

The I.C.A. can give assistance in developing the spirit of self-help, because without self-help a co-operative is not truly co-operative. It can help in the training of leaders and staff for co-operatives, of which there is an acute shortage in these countries. The training should be given, to some extent, by educating these cadres abroad in co-operative organisations and at training schools for managers and staff. I think the main problem of the I.C.A. is to stimulate and promote the spirit of self-help in these countries.

The President: Thank you very much, Dr. Hatta; you have given an excellent definition of Co-operation.

Discussion.

The President: The first speaker in the discussion is Mr. Campbell of the U.S.A., who will speak on the paper by Mr. Henry.

Mr. W. J. Campbell, U.S.A.: I shall be very brief, but I want on behalf of the United States delegation to congratulate Mr. Henry on his splendid paper on the work of the United Nations in the development of co-operatives through the technical assistance programme and other facets of the work of the Specialised Agencies. The Co-operative League of the U.S.A. has taken a lead in the United States in the support of legislation and appropriations for the technical assistance programme of the United Nations. We feel that the supreme test of technical assistance is to do it through the United Nations whenever possible, and for that reason we have encouraged our Government to make as large appropriations as possible to the United Nations technical assistance programme. The United States is at the maximum of its contributions, measured by the contributions made by other countries, and as rapidly as the contributions are made by the other nations that are members of the United Nations, so the United States Government will increase its contributions to the United Nations assistance programme.

I want to say, based on personal experience, that we have seen the United Nations technical assistance programme at work. I had the honour to represent the United States Government at a conference of the F.A.O. in Trinidad in 1951, a meeting of representatives from the Caribbean area. The work was constructive, very important and indeed essential. The work of the F.A.O. in bringing together these organisations was, I think, responsible for what has now flowered into the Caribbean Area Co-operative Confederation. I had the opportunity to sit on the United States National Commission for UNESCO for five years and saw the work done there to encourage voluntary Co-operation in other parts of the world.

It is very important for the Food and Agriculture Organisation and other bodies to reach forward to do the job of helping people to help themselves. For that reason we feel that as much as it is possible to do through the United Nations in the way of technical assistance should be done in that way. The job is not being done rapidly enough and there must be bilateral technical assistance as well, but what is even more important is that our own work, done through our co-operative organisations, should parallel that of the United Nations. We must in the first place make our own technical experts in co-operatives readily available at the call of the United Nations. This has not been done readily enough. We should be willing to spare even our top executives when the United Nations calls for them for technical assistance jobs in other parts of the world.

We carry on through the Co-operative League our own technical assistance programme in India, Laos, Vietnam, and other parts of the world, and through the great organisation of CARE (The Co-operative for American Relief Everywhere) we have moved away from the relief programme to one of help, and now to one of self-help. We have staff members in Hong Kong, Egypt, and many other countries who devote a great deal of time to helping co-operatives in those countries as a further extension of self-help. We wish to indicate our very great pleasure in having these three papers presented this morning.

Mr. N. Wood, Great Britain: I should like to make a few remarks in connection with technical assistance in my capacity as Vice-Chairman of the Agricultural Committee. At our meetings at Paris and Vienna we discussed this question in some

detail We should like to see the work of the I.C.A. based on a well-balanced practical programme. Our Committee will be glad to give helpful advice to the I.C.A. Technical Assistance Sub-Committee with regard to technical assistance in the field of agricultural Co-operation. The countries in need of technical assistance are predominantly agricultural; 80-90 per cent of their people are farmers and their national income is derived - 60-70 per cent - from agriculture. Indeed, it is due to the progress of agricultural Co-operation in the developing countries that there is a marked shift in the composition of the membership of the Alliance. In Mr. Henry's very useful paper there are two omissions. One of them is perhaps of minor importance, though not to those of us who come from Great Britain, and the other is of a more fundamental significance. I would have expected Mr. Henry to acknowledge the valuable aid which F.A.O. and I.L.O. have received and are receiving today from Miss Margaret Digby and the Plunkett Foundation, that marvellous institute which with a very limited income enjoys world-wide respect and influence wherever Co-operation flourishes. Secondly, Mr. Henry has perhaps paid too little attention to the desirability of developing the spirit of Co-operation, the spirit of self-help, among those who wish to benefit from co-operative organisation.

Mr. Henry has, I think, failed to make it quite clear that technical assistance is rendered by the United Nations through its Specialised Agencies only in response to requests from Governments, whereas the Alliance gives assistance in response to requests made by co-operative bodies. Also, in the case of the United Nations the cost of technical assistance is usually met 100 per cent by the Specialised Agencies. In the case of the Alliance, co-operative organisations which are helped should not be treated as passive recipients of assistance; those movements applying for help to the I.C.A. should be asked to present a well-established programme and should make proposals, explain their needs and, above all, point out what efforts they are making and what substantial contributions they are prepared to make themselves. If an organisation wants a film unit, it should contribute part of the cost; if it wants to send students to seminars, it should meet part of their expenses. It should be made clear that the I.C.A. is willing to help those organisations that are prepared to help themselves.

I support the delegate from Singapore who argued yesterday that the I.C.A. in organising seminars should find lecturers mainly from the local area. This will keep down costs and develop self-help in creating teaching staff. The I.C.A. should organise seminars not so much of a general as of a specialist character. Seminars should be promoted in places and countries where students can learn by becoming acquainted with practical co-operative problems and achievements. Thus, in Cyprus, India, and Nigeria, seminars of credit co-operatives could be organised. In Puerto Rico there could be a seminar on coffee marketing, and in Japan seminars on agricultural Co-operation in its various forms, because exceptional progress has been made there in these fields.

Yesterday delegates from Pakistan and Malaya suggested that technical assistance should be administered by the receiving countries. That is desirable so long as the actual recipients have not complete control of the funds advanced. I would suggest that in each country an area committee of the I.C.A. should be established. Such committees should consist of professors, secretaries of chambers of commerce, and trades union leaders as well as of representatives from the recipient co-operative organisations. Finally, I suggest that the I.C.A. should establish certain conditions and principles on the basis of which it would extend technical assistance. Such

principles should be given publicity through the press and radio. In this way the character and role of the technical assistance programme of the Alliance would become known in those countries where aid is needed.

Mr. W. Briganti, *Lega Nazionale*, Italy: We are concerned not only with the position of countries which have become politically independent and now wish to become economically independent also, but with all countries. We realise that this raises very big problems. Western Europe, the United States, and Canada share two-thirds of the world's revenue between them, and two-thirds of the world's area has barely 15 per cent of the world's revenue. Despite programmes of assistance, the difference between the two types of country is becoming greater. Clearly Co-operation will not be the determining factor in the economic development of the developing countries, and it would be foolish to cherish such an illusion, but the co-operative movement can, in spite of this, do work of some importance in aiding the development of these countries.

There is a great diversity of situation in the different developing countries in Central and South America, North and Central Africa, and South-East Asia, and it is not possible to generalise, but the most important types of Co-operation appear to be agricultural, credit, purchasing, and marketing co-operatives and producer and consumers' co-operatives. The exchange of information has to be organised by the Alliance individually for each country, so that we may find the most suitable forms of Co-operation to help development as much as possible. Mr. Henry has already mentioned one activity which is of considerable importance—aid for the training of leaders. In this connection, it is proposed gradually to increase the resources of the Alliance by means of a central fund for technical assistance to which each year the member co-operatives of Europe and North America can contribute a small percentage of their dividends. The *Lega Nazionale* is prepared to co-operate in this, although Italy is not comparable with some of the rich countries in the world. We shall give whatever help the conditions of our country permit. The *Lega Nazionale* is prepared to organise, under the patronage of the Alliance, seminars in Italy, especially for developing countries in the Mediterranean basin, and is also prepared to give people from other movements full information on co-operative work in Italy, making such information available to the Alliance or directly to the countries interested. The *Lega Nazionale* will also contribute so far as it can to the Technical Assistance Fund of the Alliance.

With regard to the relations between Co-operation and the developing countries, in particular in regard to the possibilities for the development of Co-operation in these countries, what is to happen on a national scale must be decided by the populations concerned and by their national institutions. In order to facilitate economic development it is indispensable that there should be extended forms of State planning and so on. It is the task of the co-operative movement in well-developed countries to stir up public opinion and to exert pressure on Parliaments and Governments in order to secure a good commercial and social policy towards the developing countries. We must accept exports from these countries and remove the obstacles in their path which exist particularly in the richer countries such as the United States, where protection is very strong. Exports are now being developed from the developing countries, of raw materials and basic products such as cocoa, coffee, and bananas. This development is hindered by the levying of duties which limit consumption and raise prices, thus having a deleterious effect on the economy of the developing countries by limiting their exports. There must be a democratic struggle on the part of co-operatives to see that exports from the colonial countries

are encouraged, to enable them to obtain the revenue which they need, and we have to stabilise at world level the prices of raw materials, which are fundamentally important for the stability of the economy of developing countries and which at present are liable to undergo dangerous fluctuations. There is a report by GATT which recommends a mechanism for the accumulation of stocks for a large number of basic products.

Finally, there is need to defend peace in the world and to urge controlled disarmament, not merely for the reasons which we are all convinced are the right ones but in order to further the economic development of the countries which we are at present discussing. Peace and disarmament would give the most powerful countries, the U.S.A. and the U.S.S.R., the opportunity of giving the developing countries much better assistance, without having any political or strategic strings attached.

The President: I am afraid that the speaker is getting away from the subject under discussion.

Mr. Briganti: Aid for the developing countries has to be continued, and on behalf of the *Lega Nazionale* I should like to say that we recognise this.

Mr. Tun Win, Burma: We are very grateful to Mr. Surridge for his interesting and thought-provoking paper on the role of Governments in developing countries, in promoting Co-operation. I should like to offer a few observations on this subject. We agree on the one hand that our ideal should be free and independent co-operative movements, independent of Government. On the other hand, in the developing countries we are faced with the situation, taking a realistic view, that the movement can achieve little or nothing without Government assistance, and the Government have to shoulder the responsibility for the promotion of Co-operation in their territory.

We agree with Mr. Surridge that in a situation of this kind there are two considerations involved. The first is the character and extent of the assistance which the movement seeks and the Government provides, and the second is when and how Governments should recede from this position of vicarious responsibility. Only on the correct solution of these essential problems shall we be able to ensure the healthy and progressive development of our movement. We must therefore pay the closest possible attention to these questions. It is our hope that with the opening of the regional office for South-East Asia the I.C.A. will be able to co-operate with the developing Asian countries in searching for a solution to these pressing problems.

There is one other matter which has been engaging our attention in this context. It concerns the effect of the generous economic policy of Governments on co-operative development. Mainly as a result of the exploitation and suppression of our economy by the former colonial regime, our living standards are very low. The newly independent countries have to face the difficult task of raising these standards by means of the rehabilitation and reconstruction of their national economies. This involves an investment and current expenditure in the national budget, which leads to the necessity for Government supervision and control. One method which may be adopted is the regulation of imports, which can be so administered as to favour Co-operation, depending on the attitude of the Government towards co-operatives.

In the matter of providing finance and granting other forms of assistance, there is a possibility of Government help being influenced on grounds of political affiliation. That is not unknown, but it conflicts with the principle of the political neutrality of the co-operative movement. We are glad to report that the political parties in our country have gradually learnt to appreciate the wisdom, or rather the expediency, of this principle, and are beginning to keep party considerations out of the movement. We are now making the promotion of Co-operation a common cause of the nation. This is the judgment which is being made in Burma today. We cannot say for how long or to what extent political parties in my country will respect the sanctity of this principle, however, and there is no assurance that our Government will always extend favourable treatment to the co-operative movement and avoid discrimination between co-operatives. This position arises because in the developing countries where there is parliamentary democracy, Governments change and with them the policy and attitude towards Co-operation may change also. We cannot expect these changes to be as smooth and peaceful as they are in some of the Western countries, because the newly independent countries are not yet acclimatised to the parliamentary form of democratic Government which they have adopted.

I am telling Congress very frankly of this particular characteristic of the young and expanding democratic countries which may place a limit on development. I do so plainly and honestly in the hope that it will be useful for the I.C.A. in its attempts to promote the cause of international Co-operation in general and of the developing countries in particular.

The President: I should have told Congress that when the I.C.A. delegation visited Burma, Mr. Tun Win was Minister of Co-operation there.

Mr. A. Zemek, Czechoslovakia: Already at the meeting of the Central Committee of the Alliance, which took place at Vienna, a Czechoslovak delegate pointed out that he was doubtful about the justification of two of the *rapporteurs* who deal with co-operative development in the under-developed countries. His suggestion was rejected, and for that reason I feel it is important to come back today to this problem. It seems to us that it is incorrect for citizens of formerly oppressed countries to have to listen here in the I.C.A. to advice given by an official of a colonial administration who tells them what their relationship with the Government should be and how they should claim independence of their Government, a Government formed by the representatives of their own people and not the Government of the former colonial power, while the country from which the *rapporteur* comes is a country whose colonial empire has collapsed. There are certain nations in Africa that are still fighting for their independence and where people are liable to be detained in concentration camps. That is the position in Kenya, Rhodesia, Tanganyika, and elsewhere. It was not by chance that Mr. Kruschchev presented at the General Assembly of the United Nations a draft statement concerning the independence of all the countries that are still suffering under the yoke of colonialism.

The Governments of the countries which have recently become independent and free from colonial domination have to solve the various problems which face them, and they are very difficult problems. They have to eliminate what remains of their colonial era in the form of destitution, under-nourishment, and so on. Clearly these are such important problems that there has to be a co-ordinated effort on the part of all the different countries, and there must be mutual aid, but what does the

rapporteur recommend? He recommends that the co-operative movement shall be separated, so far as possible and so soon as possible, from the Government and become independent. The implication is that the co-operative movement will have to destroy the unity and the co-ordinated work of the progressive forces which have made for political independence in the country; and this although the policy adopted by this force is in favour of the people in the country who have managed to overcome the colonial hegemony which formerly prevailed and have obtained self-government and are engaged in solving their internal problems in conformity with their own conditions and natural peculiarities. These national forces will also manage to solve the problem of the tasks which have to be carried out in the under-developed countries in regard in particular to Co-operation.

If we are really to help the co-operative movement in these countries, we shall have to establish friendly and commercial relations with them which will bring mutual advantage and which will be based on the principle of non-intervention in the internal affairs of these countries. The peoples of these countries have had bitter experience of the imperialist powers which ruled them and realise what colonial exploitation means, and they know also the power of international monopolies. They will accept our help only when they realise that our efforts to assist them are genuine and that our aid has no strings attached to it, and that we are not trying to upset the laws of evolution which hold good for these countries as for others.

On behalf of the co-operative organisation of Czechoslovakia and also on behalf of the Czechoslovak co-operators individually I should like to say that we are already at the present time trying to help co-operators in Asian and African countries and to provide them with effective aid without any commitments on their part. We shall continue to do so, because with all our hearts we hope that the peoples of the East and of Africa will achieve full victory in their fight for liberation and for the preservation of the independence of their countries.

The President: I should like at once to rebut the political point of view expressed with regard to the choice made of the *rapporteurs*. The *rapporteurs* are men of many years' experience and are independent in mind. We cannot doubt this. They are above the insinuations of the last speaker.

Mr. M. O. John, Co-operative Union of Western Nigeria: On behalf of myself and of the Nigerian delegation, I wish to say how happy we are to be present at this 21st Congress of the I.C.A. so soon after the attainment of our well won and highly treasured independence. (Applause.) As the representatives of a new nation, we come here fully conscious of the fact that we are about the youngest nation in this high-powered international assembly, and in consequence of this we have come determined only to keep an open mind, and not so much to contribute to the debates as to watch and listen with interest and rapt attention.

It is highly gratifying to observe the prominence which has been given in the programme before us to the question of the under-developed and developing countries and to watch the keen interest which has been demonstrated by all sides in the search for a solution to this problem. In this connection, however, I must sound a note of warning. Speaking for all the co-operatives of Nigeria I want to make it unmistakably clear that we are in every way determined to keep, guard, and cherish our freedom, and to this end we shall not allow ourselves to be deprived of our rights by any over-zealous people who may see in this Congress nothing but an opportunity to whip up emotion in order to win our sympathy or to establish their

own point of view. For this reason I should like to say and to emphasise that in dealing with the so-called developing countries you must carry out close consultation and collaboration in respect of any assistance that you may wish to give us, for your assistance will have no value, or very much less value, if it comes or appears to come from a desire to proselytise. Your assistance must come from no other conception than that of supporting Co-operation in our countries; in short, it must come through Co-operation in which men and races are equal in that universal brotherhood of which the Rochdale pioneers dreamed and which their principles are calculated to achieve.

At this juncture I would say that it is with profound gratitude to British statesmanship and to the colonial administration of the British Colonies that we are working together with Britain, and the more so as we find that every one of the new nations takes justifiable pride in joining the Commonwealth of Nations. They all realise that it is better to enjoy friendship with their past masters than to take to any other people as completely new found friends. I wish to congratulate Mr. SurrIDGE on a masterly and lucid presentation and a realistic analysis of the issue with which he has dealt. Mr. SurrIDGE has been closely connected with the development of Co-operation in British colonies and his name has become a household word among us.

We in Nigeria have learnt to recognise Co-operation as a potent factor in economic and social development, as a support for true democracy and above all as a way of life in which mankind can reach perfection. In consequence of this Co-operation has been actively taken into partnership by the Government because it regards Co-operation as a way of reaching the masses and as the only form of organisation by which the ordinary citizen can share a richer and more abundant life. This policy has not been without its flaws. In the first place it has made it necessary for public funds to be injected into the movement more than ever before and as a result has strengthened the hands of the Government in their control of the movement, which is quite natural. In the second place it has tended to affect initiative and to make the movement look up to the Government for inspiration and assistance in a way not known before. The movement has in that process found itself in a vicious circle – more Government assistance, more Government control. There is the consolation, however, that Government has expressed anxiety to withdraw assistance and control so soon as the movement is self-supporting, both administratively and financially. Our own experience shows us that the Governments of developing countries should not hesitate to promote Co-operation suitable to their conditions, but what is most important is that the ultimate goal should be the evolution of a virile and democratic co-operative movement independent of Government assistance and free from Government control.

Mr. M. Miller, U.S.A.: The two nations most recently independent and having representatives here at this Congress are nations where the co-operative movement was highly developed at the time when independence was achieved, and it gives me great pleasure that the spokesman for one of these nations has just reminded us of that fact, speaking for Nigeria. It gives me great pleasure to recognise that the other most recently independent nation represented here, Cyprus, is a country where much more than half of the whole population are members of co-operatives, and it is a country in which the rapporteur who has presented the second paper spent his longest term of service, so that he, perhaps more than any other individual, is responsible for this happy development.

I am speaking particularly of Mr. Surridge's paper, and I note that he draws clearly the distinction between the two types of function which Governments of necessity may have with regard to co-operatives. The first is the function of supervision, registration and inspection. All this is required in the public interest. We have an interesting example of this in the United States, where the Government has special regulations for chartering rural electric co-operatives, but when it came to the question of whether they should also be under the strict control of the State regulatory agencies for public utilities it was agreed that this was not a necessity, because, being co-operatives, they could operate in the public interest of their own members under their own control. In other words, there are limits and wise limits to the necessity for supervision for strong and able co-operatives.

There is also the other function of Government in relation to Co-operation, the function of assistance in at least three fields - education, promotion, and finance. I should like to call attention to three problems which arise from this matter of Government assistance. We shall recognise from all three papers, but particularly from that of Mr. Surridge, that Governments have special functions in rapidly and newly-developing economies to promote co-operatives. I note that particularly in the field of education, Mr. Surridge says that, on the assumption that the aim of policy is to make good co-operators, greater emphasis must be laid on co-operative education. I am sure that all of us will agree with that, but I want to call attention to the fact that the more successful Government officials and departments may be in developing co-operative education to make real co-operators out of all the participants in the organisations which they help to establish and supervise, the nearer will come the time when the Government should and will of necessity give up its functions to the co-operatives themselves.

Precisely that transition is happening in some countries. In the little country of Puerto Rico, where the Government has given a great deal of assistance to co-operatives, the Co-operative League of Puerto Rico has in this past year asked for the creation of an educational department of their own and the transfer from Government administration of co-operative development to this new department of the Co-operative League of some of its functions for education and promotion. It gives me great pleasure to see a man who has once held ministerial rank in the Government accepting posts of educational service under the Co-operative League, many of which were established under the administration which he headed. This is becoming really independent!

There is a second question arising from this matter of Government assistance, the question of financial aid. On this matter I note that Mr. Surridge refers to the decision of the Government of India, or at least of a Commission which reported on the subject, that State partnership would be a necessity if co-operatives were to be expanded rapidly. He does not state specifically in the paper the fact that this has been interpreted to mean that the Government would appoint, where it gave a substantial financial contribution, one or more of the members of the board of the co-operative. I should like to say that in Puerto Rico, where a similar law was in existence, they have found it necessary to eliminate this in the new legislation and to provide that the Government will furnish finance but let the boards be independently elected by the co-operators.

Finally, I should like to ask one question. I note that in this paper the statement is made that for short-term loans or crop loans it seems not only possible but also desirable that money for these should be found through normal banking channels. I should like to ask the rapporteur whether he knew of the supervised development

programme which was tried out in India and has been very successful under the auspices of the Indian Co-operative Union, and which has been adopted as a feature of the community development programme which is being sponsored by a large amount of aid from the Ford Foundation. I would ask him further whether he knew of the experience of the Vietnam Department of Agricultural Credit and Co-operatives, where the director reported that they had had extraordinary success in collecting loans from farmers who had no land to give as security, but only the security of their own honour and of the increased production of their crops to repay the loans complete and in due time.

Mr. Subijakto, Indonesia: I should like to supplement Dr. Hatta's remarks about the co-operative movement in Indonesia and also to refer to Mr. Surridge's paper on relations between the Government and the co-operative movement. Our co-operative movement in Indonesia forms the social and economic basis of the country and people, and so the relations between the Government and the co-operative movement are very close. It constitutes the realisation of the Indonesian State philosophy Pantja Sila in the field of social economics, as stated in Article 33 of the Indonesian Constitution. Pantja Sila is based on the following principles: belief in God, nationalism, humanity, democracy, and social justice. Co-operatives in Indonesia become a basis for the achievement of the Indonesian form of socialism, and consequently the co-operative movement has the following functions. It has to be a means of carrying out a guided economy based on the Indonesian form of socialism, it has to be a framework for the economy of the people, and it has to be a basis to organise the people's economy, to raise their standard of living within the framework of a democratic, just, and prosperous society.

To achieve the real significance of Co-operation as I have just stated it, in our developing country, the best and most effective method is for the co-operative movement and the Government to work together closely and harmoniously. In the last few years the Government have taken active measures to this effect, laid down in Presidential Instruction No. 2, of 1960, to co-ordinate Government departments in their efforts to promote co-operative movements, and in Presidential Instruction No. 3, of 1960, to widen and intensify educational activities and facilities for co-operatives. I appreciate, therefore, what Mr. Henry says about promoting technical assistance to the developing countries. I would emphasise the role of the Government in promoting the co-operative movement in Indonesia. It is not to restrict the independence of the co-operative movement, but, as the co-operative movement is the basis of the economy of the Indonesian State, the Government is obliged to take an active role in promoting the co-operative movement. The Government's activity, therefore, is directed not to the control but to the encouragement of the co-operative movement, while maintaining the independence of the movement.

Close of the Fifth Session.

SIXTH SESSION.
Wednesday Afternoon.

Promotion of Co-operation in Developing Countries

The discussion on the promotion of Co-operation in developing countries was resumed.

Mr. Linn, Israel: I should like to make a few remarks on Dr. Hatta's valuable paper. Unfortunately I cannot agree with the sentence on page 76 of the Agenda and Reports, that "The poor worker and the poor farmer are convinced that only through co-operatives can their fate of distress be improved." I think that the social order of society and the Government itself have a much more important and decisive influence on the fate of the poor worker and the poor farmer. A socialist State promotes the struggle of the workers for a better life on a co-operative basis, but I agree that the development of Co-operation, particularly in agriculture, can improve to a certain degree the living standards of the working-class in every country. The gap between the income levels and standards of living of urban and rural residents must lead to a flight from the villages and a flow to the towns and will inevitably disturb the stability of agriculture. Thanks to the collective and co-operative structure of the greater part of the agriculture of Israel, we have succeeded in remaining one of those countries where the gap between the average income of the two groups has been relatively small. This problem is important for many peoples in the East and the West alike, and it is even more important for the Jewish people, for reasons which I do not need to explain here. Admittedly we are a small country and our conditions of development are quite different from those in long-established and heavily-populated countries or in the new States, yet it seems to us that what we have done may be of interest to co-operators in other countries as well, even if it is regarded only as a pilot plan. We feel that it is possible to learn from our achievements, and from our mistakes as well.

Our agriculturists are newcomers. They have been engaged in agriculture for not more than two or three generations, and they came to the farm from the city. This fact, in spite of all its disadvantages, has also certain advantages. They are not as conservative as agriculturists are likely to be when they have been on the land for untold generations, and the intellectual level of our farmers is quite high.

I would draw attention to the development in the I.C.A. membership during the recent years. The non-European countries already form a majority of the members of the Alliance, and it may be assumed that this process will be enhanced during the next few years as the new African States join our Alliance. The new States of Asia and Africa are certainly capable of benefiting from our experience in Israel and there is a good deal that they can learn from Israel's co-operative development. We regard the most urgent requirement as being to raise the living standards of our citizens with the aid of Co-operation. Our co-operative movement has made a contribution to the development of Co-operation in the less-developed countries and has already organised seminars for co-operators from a number of

countries in Africa and elsewhere. We have formed friendships with these visitors and have had an opportunity of explaining our activities to them. We hope that the I.C.A. will accord us its support.

Mr. C. Mateesco, Roumania: I consider that it is not necessary to emphasise the importance of this question, which is one of the main topics on the Agenda of Congress and has also been discussed in the Central Committee. The assistance to be given to the developing co-operative movements is one of the main problems of our time. At the last meeting of the Central Committee statements were made which seemed to show that the Alliance considers that the programme of aid to the developing countries should be a matter for the United Nations and its Agencies and that the I.C.A. should be satisfied with a programme of help to the co-operatives in these countries. We consider that the measures taken by the Alliance are far too small in view of the importance of the co-operative movement in the world. If we examine the long-term programme we would say that the Alliance should establish very concrete programmes and projects which correspond to the importance of the problem. It is necessary to collect information from all the affiliated organisations which should be published by the Alliance. More articles on technical and economic subjects should be written in our publications. The problem of training staff to give assistance abroad should be tackled. We have, it is true, achieved a certain success, and we recognise the fact that the member organisations of the Alliance have helped and can still help the co-operatives in the developing countries. For instance, the Czechoslovak and Soviet co-operators have organised seminars for co-operators in Africa and Asia, and Swedish co-operators have collected funds for work in India and so on. An indication is given in the Agenda and Reports of what has been done, and I would simply add that the co-operatives of Roumania have also invited students from the developing countries to come to Roumania to study in our schools and universities, all expenses for travel and all living costs being paid by the Roumanian co-operatives.

In other fields the Alliance should do more than it has done so far. In the countries which have for long been subjected to colonial regimes the economies are still dependent on the purchasing countries, the capitalist countries. In order to obtain the equipment which they require, these former colonial countries must be able freely to offer their goods to the rest of the world. They must be able to sell their goods everywhere, and that is one reason why we should engage in economic co-operation with these countries. The I.C.A. should by all possible means contribute to the setting up of regular economic connections and trade between the co-operatives in the developing countries and those in the other countries of the world. I know that this is nothing new, but it should be developed to a much greater extent than has been the case up till now. There is also the problem of long-term credits, and here, too, we have not done as much as we should. Our help, however, must be given with no strings attached to it.

Mr. Lee ab Leng, Malaya: I wish to say a few words on the nature of co-operative organisations in the developing regions and the contribution which the I.C.A. can make towards them, especially having regard to the paper by Dr. Mohammad Hatta, who is one of the foremost co-operators in the developing region from which I come. Dr. Hatta in this paper very aptly portrays the feelings of the co-operators in the developing countries and he has also very precisely submitted the broad facts that exist in the economic society of dependent countries under former colonial masters. None can be blamed more for the economic backwardness of the peoples in the former colonial territories than the Governments then in

power. By a policy of enriching the colonials and other aliens the peoples of the country were made to suffer. When Co-operation was introduced it was a half-baked form of Co-operation intended to solve only a portion of one aspect of the economic problems facing the people. There was generally an over-emphasis on thrift and credit societies. By reason of such a policy the co-operatives in former colonial territories remain strong in their credit facilities but weak elsewhere. Never was the co-operative movement developed in a manner intended to assist the people comprehensively.

On the attainment of independence in these territories the co-operative movement is being encouraged in every possible way so that its full usefulness and benefit can be bestowed on the people of the country. In my own country, the Federation of Malaya, in colonial days the development of the co-operative movement was confined to one aspect only of the economic problem, but the movement after independence is being developed on a comprehensive basis to ensure that every phase of economic activity is fostered through the co-operative movement. In the Federation of Malaya the co-operative movement is accepted as the principal instrument for the economic improvement of people in rural areas. That does not mean that an independent and progressive co-operative movement does not exist in my country. People are encouraged but in no way compelled to associate in forming co-operative organisations. The principles of Co-operation are strongly maintained and an independent registrar exists to ensure that this is so.

The contribution which the Alliance can make to the co-operative movement in my country should be two-fold. First, as was pointed out by Dr. Hatta, education in co-operative principles and practice must be extended so that the villagers even in the remotest corner of the country can be brought within the co-operative educational regime. While co-operative educational institutions exist in my country, the scope of their work has yet to reach the vast majority of our people. Over-concentration on the theory of Co-operation alone will not suffice; the training of co-operators in the practical administration of co-operative societies is essential.

Secondly, the Alliance can be of invaluable assistance by arranging in co-operatively advanced countries special study tours for leaders of the movement. We need a system whereby members and employees of co-operative societies can be sent for training or work in co-operative societies or factories overseas. By this method more and more young men can be sent overseas for training in co-operative work, and on their return they can utilise their knowledge and experience for the development of co-operative societies. With the adoption of the new Rules this morning my delegation is confident that the Alliance, with the additional funds which Congress has made available, will be able to utilise these funds for the further development of the region in South-East Asia.

Mr. K. Y. Yunusov, U.S.S.R.: The Soviet co-operators feel that contribution to the development of Co-operation is the most important matter before us and must play an important part in technical assistance to the people of the under-developed countries. The I.C.A. should grant aid to co-operators and co-operative movements in Asia, Africa, and Latin America. What is most important is not really the development of these co-operatives but the creation of economic and social conditions rendering possible the development of Co-operation. The I.C.A. must rejoice in the fact that these peoples have now after a struggle attained economic and political independence and must ensure that the national co-operatives continue in this struggle.

What form should that contribution take? First, the I.C.A. must call on national co-operative organisations to ensure that they widen by every means in their power commercial exchanges with other countries, so that the exterior barriers are done away with, as well as other barriers to this trade. National organisations must sell to the developing countries agricultural machinery, fertilisers and so on in exchange for raw materials and food. It is of importance to supply to the developing countries not merely consumer goods but machinery for production; we should not merely send experts to study needs which for the most part are already well-known to us all, but contribute by every means in our power to help the movements in the developing countries to train their own leaders. Countries with well-developed co-operative movements must grant fellowships for the training and study of people in the developing countries, with advanced schools of all kinds. People from the developing countries must be able to carry out practical training with more highly-developed co-operatives. It is necessary for national co-operatives which are in a strong position to grant long-term credits to the developing countries for the purchase of goods, and the I.C.A. should also encourage the co-operative organisations of highly-developed countries to organise for the co-operators of Asian, African, and other countries, seminars in which they can learn about co-operative work in countries with different economic and social systems.

All co-operative organisations must widen all the links, economic and otherwise, which they have with the co-operative organisations in the developing countries. Active participation in the achievement of these plans is the duty of all co-operative organisations at the national level and the co-operatives of the U.S.S.R. will continue to do all that they have done so far in order to help the co-operatives in the developing countries. They will do all they can to strengthen the co-operative movements in their fight for independence in the countries which have freed themselves from colonialism and will help such countries to gain their economic and social independence. An example of the development of a country freed from a colonial regime is that of the country of which I am a representative. In the past under the Czarist regime it was a very much retarded country, whereas under the Soviet Government a great deal has been contributed to its development. Horticulture has been furthered and universities and other educational institutions play a great part in its life. Co-operation is now a most important feature of my country.

Dr. L. Valko, U.S.A.: On behalf of the American delegation I would say that it is a great pleasure for us to submit some remarks on the papers presented to the Congress this morning, because we are very much concerned with how real Co-operation is progressing in the developing countries. Dr. Hatta's fine paper gives us information not only on his own country of Indonesia but about the situation in other Asian countries. In the programme of the economic and social development of these countries the promotion of Co-operation is taking an important and even a leading part.

The chief problem which confronts us, not only in practice but also from the theoretical standpoint, is how to have a satisfactory and balanced system of relations between co-operatives and Governments in which the State will not adopt a dictatorial partnership and the co-operatives preserve their independence and self-government. The pioneers of Rochdale and the farmers in Europe and the United States were able to organise themselves in co-operatives without any help from Governments, but we must agree with Dr. Hatta that millions of people in India, for example, have still such a miserable standard of life because they are unable to

solve their economic and social problems by themselves. Co-operation seems to be the best and probably the only way to improve their situation. The Governments of these countries are very conscious of that fact, and therefore they are officially promoting co-operatives with all kinds of assistance, both in financial and in educational ways.

If we accept this beginning in the form of State-supported co-operatives we must emphasise that co-operatives in Asia serve primarily social purposes rather than economic goals. From the theoretical standpoint I would say that this is not the general system of Co-operation, which is voluntary organisation. It introduces a class of co-operatives in gradual evolution. The co-operatives of Southern Asia, in our opinion, are primarily organised for social purposes and therefore we can define them as welfare co-operatives, in which form there may be more active participation by the State than would ordinarily occur, but this can only be transitory. This principle is also expressed by the policy of the Alliance in introducing the category of associate membership. There is a gradual and progressive evolution by which these welfare co-operatives have to be developed and transformed into independent and self-governing organisations such as exist in the Western countries. Since the purpose of the highly-developed co-operatives of the Western hemisphere is to carry out an economic programme, we can call them economic co-operatives in that sense, and the role of the Government is minimised or disappears.

To achieve this evolution the method of assistance is not only materialistic, by financing the organisation of co-operatives, but also idealistic, through co-operative education. Many delegates at this Congress will meet next week at a university in Germany where these new concepts and ideas of genuine Co-operation will be discussed in relation to Asia, Africa, and Latin America. We hope that this rather theoretical discussion will produce some constructive ideas which will assist the activities of the Alliance for the promotion of true Co-operation all over the world. In Asian countries there has always existed a solidarity and spirit of mutual help which is the basis for true Co-operation, and we assure our friends that we are always ready to help them to start co-operatives in a sound way and let them preserve their original co-operative spirit; we do not want to destroy the co-operative characteristics of their organisation by the poisonous and selfish inflow of any aggressive political propaganda action.

Mr. J. Nepomucky, Czechoslovakia: I agree entirely that the co-operative movement can play a very important part in the development of the developing countries, and in particular in the struggle of the progressive forces for the full economic and political independence of a country and the raising of the standard of living of its people. On the other hand, it seems to us that the hopes we have placed in the co-operative movement for solving the problems of the developing countries are unfortunately unfounded. That is so in all cases where there has been the illusion that it is necessary for the co-operatives to become detached from the Government and from other developments taking place in the country. The unrealistic nature and harmful effects of these ideas are very much in keeping with the efforts intended to consolidate the dominance of foreign monopolists and the stifling of the new-born country, and which try to consolidate their position to the detriment of the working class. The experience gained of this kind of development

shows very clearly that this means the consolidation of the power of the local bourgeoisie and in increased effort by foreign capital to maintain and extend its position.

We must also take into consideration the fact that political power is mainly vested in the local bourgeoisie, who try to consolidate their economic position, and their interests are necessarily in conflict with those of collective enterprises. This leads to the conclusion that such co-operative activity has nothing to do with the interests of anyone other than the bourgeoisie. If we attempt to conceal this fact we betray the interests of the workers and prejudice the success of subsequent developments. Thus we create illusions the consequences of which may be harmful to the interests of the workers and to the aims of true co-operatives of every kind. For that reason it is necessary to state clearly that the real meaning of Co-operation lies in its close link with the workers and their efforts, and only in this way can the co-operative movement fulfil its mission to help the workers in the developing countries to become the true masters in their country which has been freed. In this way the co-operative movement can play an important part in the development of these countries and help their people to live a happier existence.

In view of the fact that the papers before us, with the exception of a few points in the paper by Dr. Hatta, contain no proposals for concrete steps towards a reasonable method of work, we suggest to Congress that it should instruct the Central Committee to ensure that in connection with the S.E. Asia regional office there should be a committee of representatives of all the countries concerned which can draft measures which will contribute to the solution of the problem of the development of the co-operative movement, so that we can have an office which will be properly run and which will serve as an example of what should be done for the countries of Latin America.

The President: I invite Mr. Bhide, the representative of the Ministry of Community Development and Co-operation of the Government of India, to say a few words.

Mr. M. R. Bhide, Secretary to the Ministry of Community Development and Co-operation, India: I am very grateful to the President for his indulgence in permitting me to make a few remarks on this subject. I am not going to deliver a prepared speech, but I have noted down a few points during the course of this discussion. The developing countries - countries either under-developed or in the process of development - are to be found in various regions of the world. Amongst them some of the largest are countries like my own, which have been or perhaps still are under colonial rule. To many of us colonial rule has been a stern and unpleasant reality. Its effects have been many. Some of them are in my opinion of a transitory nature, such as exploitation and poverty, but the main curse of colonial rule has been the more permanent damage which it has inflicted on those subjected to it. Among the many evils of colonial rule has been the breaking up of local institutions and organisations and their effectiveness, and arising from that there has been a sense of helplessness, an absence on the part of the people of a desire to help themselves and an excessive reliance on the State.

In the countries which have emerged from colonial rule the task of the Government is to remove these defects. Once the spirit of self-help and mutual help has been revived it will be easier to deal with the problems. In all these countries such

as my own the State is undertaking large-scale development plans and ascribing to the co-operative sector a very important part. This is necessary for various reasons into which I do not propose to go; I wish only to point out the dangers of such State planning in the co-operative sector.

My Government, and I and my colleagues, have been engaged in the task of preparing various plans for development. For the next five-year plan we are thinking of an investment by the State of the order of £100 million in the agricultural co-operative sector alone, and perhaps after that in the sector of village and cottage industries, and so, on an investment of twice that amount. When I look at the process of planning as it is developing I begin to feel frightened, and my fear is that, unless we are careful, what we do may result in developing under the garb of Co-operation a State sector. The investment of funds by the Government is absolutely essential, but along with that development and investment very special care has to be taken. Government help must not come in a form which savours of charity or philanthropy, but must be on the basis of some kind of contributory effort by the people for whom the plans are being made. Secondly, there must be a period for which Government assistance on a certain scale will be given, subject to periodical reviews, but it should be clearly understood both by the State and by the people that State assistance of this order can only be for a period, and that ultimately self-help and mutual help are the only principles on which a sound and self-regulating and self-governing co-operative organisation can be based. Therefore, whatever is provided by the State, side by side with and perhaps more important than the volume of Government money put into it, the effort must be made to build up a self-governing and self-regulating movement right from the beginning, and a time-limit must be set within which all Government controls must disappear. In any democratic structure, particularly in the economic sector, it is essential for all the plans for development to be built upon a large number of democratic decentralised units for administration, planning and the implementation of the plans. They may be in the sphere of agricultural production or industrial production or whatever it may be, but if planning and the implementation of plans in a democratic fashion is the goal, then decentralisation of authority and decentralisation of planning is absolutely essential.

I should not like – nor am I competent to do so – to go into the question of what comes first and what comes next; all that I can say is that in most of the under-developed countries we have to lay down the priorities, which must vary from country to country; but in a country such as India, and in most of the countries of South-East Asia, the obvious priorities are agricultural production, marketing, and storage, the processing of agricultural produce, and distribution not only in the rural areas but also in the urban areas, which are growing very fast. The co-operative industrial sector in the field of village and cottage industries is perhaps in the end larger, though so far as the actual number of people involved is concerned it may be less, but the programme of industrialisation on co-operative lines is of the greatest importance if the problem of rural unemployment and under-employment is to be solved or any serious efforts are to be made to solve it.

One last word. Mr. Henry in his excellent paper suggests that it is for the F.A.O., the I.L.O., the I.C.A., and so on, to assess what is desirable for the developing countries. The problem has in fact to be approached in an entirely different manner. It is not a question of what the I.C.A., the F.A.O., or the I.L.O. considers desirable, but of what India and Pakistan and other countries require in the way of help, advice and guidance. It is what we want that matters. Whether

you can give it to us, and in what shape or form, is a different matter, but our needs are known to us. I can say something about our needs to the F.A.O., but I cannot, in the F.A.O., say what some other country wants. The influence has to be not from the giving but from the receiving end. You have to find out what a particular country in its particular circumstances wants and try to the best of your ability to meet its needs.

In all these matters no doctrinaire approach should be followed. The broad principles of co-operation, mutual help and self-help form the fundamental basis, but the conditions vary greatly even between different parts of the same country, and there must be considerable flexibility in the approach. The problems of the developing countries are not only serious but urgent, and it is necessary for an international organisation such as the I.C.A. not only to give help to these countries but to do so quickly, because there are other forces waiting for the opportunity, for ends which we do not desire.

Dr. A. F. Laidlaw, Canada: I speak for the Co-operative Union of Canada. Our time is limited, and, as there are many others who wish to express their views, I shall be brief. I wish to repeat what others have said before me, that this is the most important topic for this Congress, the paramount question, the question of whether or not the message of Co-operation can be brought successfully to all peoples in all lands, whether or not we can prove that Co-operation can meet the basic human needs of all mankind. I should like to tell the delegates from other countries assembled here that we in Canada have a very deep interest in the whole field of technical assistance for the co-operative movement. Many students and observers from other parts of the world have come to us in Canada, not that our co-operative movement is so large as that of some other countries, but perhaps because we have a variety of co-operatives and types of organisation which are of particular significance to some of the developing nations. We have also sent a number of Canadians abroad on technical assistance work. The Canadian Government is taking part in the Colombo Plan, and other forms of assistance are being given to agricultural co-operative development abroad.

The point which I wish to emphasise above all is that the co-operative movement has been at fault. We have neglected our duty not only nationally, but internationally in the field of technical assistance for co-operative development. In the under-developed parts of the world the Governments have taken over only where we failed to do the job, where we neglected to do our duty. That, I think, is the first fact that we should recognise. We should now recognise that the primary responsibility for technical assistance is ours; it is the responsibility of the co-operative movement and not primarily the responsibility of Governments or of international agencies. We welcome the assistance of international agencies and of Governments, but the first responsibility is that of the Co-operative Movement itself.

I should like to remark here that perhaps the Co-operative Movement is the only movement in the world which has depended on other agencies to do the greater part of its missionary work. So far as Government assistance is concerned, I believe that the I.C.A. should make a clear and definite statement on the role of Governments. I do not think that we have such a statement at the present time. I would attempt to make one here if there were time, but there is not. Such a statement is needed not only in the under-developed parts of the world but also in the developed or so-called advanced countries as well. I should like to emphasise that we in the I.C.A. must take the initiative. We can assume that the world is

waiting for a helping hand in co-operative development and that we ought to assist co-operative development everywhere. Even where the I.C.A. is not itself doing the work, it should be working more and more as a co-ordinator for technical assistance.

I have one specific recommendation to make, and it is this. There should be set up in the I.C.A. a division for technical assistance, a division well staffed with experts in this field to provide, above all, educational services abroad. I should like to see a division set up in which the national organisations will have confidence when it comes to disposing of whatever funds we have available for technical assistance, so that we shall not have a multiplicity of national programmes in other countries. I should like to see one effective, efficient technical assistance programme for the co-operative movement operating through the I.C.A. So far as the Co-operative Union of Canada is concerned, I can assure you that we shall use the Alliance for whatever funds we can gather for this purpose. Other organisations in Canada may spend money on technical assistance in addition to this, but whatever funds we can muster through the C.U.C. will be given to the I.C.A.

Finally, I wish to emphasise the fact that the biggest thing that we have to give in technical assistance is education, because more than anything else it is education and ideas for which the world is looking for its co-operative development.

Mr. F. Taleb-Begui, Iran: I have two brief proposals to make, concerned with finance and co-operative education. I have studied the various co-operative movements in many countries in the world, and have noted that in many countries in which Co-operation has existed for a number of years considerable sums of money have been accumulated, in many cases far greater than those movements require. On the other hand, in the developing countries such as Iran, where new co-operative movements have been started, finance is one of the greatest obstacles to their progress. It is therefore proposed that a co-operative bank under I.C.A. supervision on an international level be organised to utilise the savings of the rich movements and at the same time benefit the new co-operative movements, so as to assist the uniform growth of the family of co-operatives the world over.

Coming to my second proposal, you are aware that the progress of the co-operative movement greatly depends on having a sound education system for all co-operators. As a co-operative instructor I have often noted, not only in my own country, Iran, but in almost all the East and Middle East countries, the lack of sufficient co-operative educational material - books, pamphlets, and so on - *in the local languages*. It is important to have a central institute to cover the entire area of these countries, with a well-equipped library and a sound translation bureau, provided at the expense of the I.C.A. and the countries concerned. This centre would then collect and translate various publications in the local languages and place them at the disposal of every country. In this way a great source of co-operative knowledge will become available, and this will be a real help to the developing countries.

Mr. M. Sery, France: Your nationality and your usual modesty, Mr. President, have prevented you from mentioning in the Report the French achievement in co-operative aid to the countries and regions now in a state of development. A few words about this may be in season to supplement the excellent Report which we have had. The Co-operative Movement in France has answered the appeal addressed to it by the I.C.A. by promoting Co-operation in the developing countries.

We are happy to say that we have been working in this field for 15 years. To carry out this work it was necessary to have an organisation for the purpose, and so the French Institute for Co-operative Action was founded with the support of all the co-operative organisations in the country, covering credit societies in all their forms, mutual aid societies, consumers', producers', workers' productive, agricultural, fishery, and other co-operatives. The French Institute for Co-operative Action, faced with the enormous material difficulties which exist in the developing countries, has for the time being only two objects. The first is to get all the co-operative bodies of France to work together, which is something which does not always happen with the different co-operative organisations of any country. The second object is outside the country to help others to help themselves.

For that purpose the programme of the French Institute is a very simple one. First of all it covers the training of co-operative leaders of the recently-developed regions by conferences, study circles, meetings for the exchange of experience, courses, periods of training, missions, and trainees. It is really a question in the developing countries of training the basic workers, and particularly those who will inspire the work of others and train their own people. It is also necessary to train leaders for small and medium-size co-operatives, and find people who can carry out co-operative development and manage important co-operatives and unions and who can fill effectively different places in the co-operative structure. We have also to provide for co-operative movements coming into being by the training of research workers and teachers.

Another activity is that of the study missions which investigate the potentialities of different countries. Requests are made by co-operative organisations (where they already exist) and by foreign Governments and international organisations, and in the field we study the possibilities of setting up and developing a co-operative movement. When such studies have been made and a conclusion reached we must, in close collaboration with those concerned, do the work necessary to enable the desired achievements to be realised.

Finally, there is the question of specialists in these countries. We teach them to handle their own destiny, and thereafter we place at their disposal a sufficient number of competent people who can evaluate the results achieved and draw conclusions from them. The training of experts is very important. In France we have to see that there is a greater knowledge of this question, in order to create a favourable atmosphere. The leaders of the French co-operative movement are faced with the greatest problem of the century. It is necessary to expand the number of experts who can do practical work, men who are not merely good co-operators with the necessary technical knowledge, but who are also good psychologists and can integrate their own specialisation with the work of others.

We cannot go into all the details of this work here, but I would mention that 75 per cent of former African and Madagascan pupils at the French Institute for Co-operative Action are working directly in the co-operatives of their countries, and their work is made easier by the fact that 14 per cent of the former pupils of the Institute occupy places of the highest importance in the government and administration of their countries.

The development of efficient co-operative work in this way is also of importance to the old co-operative movements. One always in this work receives more than one gives. This co-operative activity helps to develop a knowledge of the co-operative movement and of friendly societies in France, and for our movement it means a

return to our origins and a permanent enrichment of thought and action arising out of a common doctrine, which places this thought and action at the service of mankind in general. That is the very realistic basis on which we work, so that our ideals of Co-operation may survive in a climate of liberty and equality and also, let us not forget, of fraternity.

Mr. Ch.-H. Barbier, Switzerland: On the theme of the promotion of Co-operation in the developing countries I should like to tell the Congress of a project which the Swiss co-operative movement is going to put into operation from 1st January next. It is a project which has a dual character, being at one and the same time extremely modest and extremely ambitious. It is extremely modest because it is a project concerned with a little co-operative movement in a small country, but it is also extremely ambitious because the object of this action is to create between two countries the true and living fraternity about which our French colleague has just spoken.

It may happen to anyone to hold out a hand to a friend who is in danger of falling and then to slip oneself and be prevented from falling by the very person you had tried to assist. That may describe the position between the Swiss co-operative movement and that of Dahomey. Before explaining what we intend to do, which I shall do very briefly, I should like to explain how it will be financed, because we think that we co-operators can dispense with the investments which Governments regard as essential in works of this kind. The financing will be very modest, and we do not want it to be undertaken by our societies or our wholesale organisations, which have their own tasks. We propose, therefore, to make an appeal to our co-operators, and we know that their generosity will make them respond. Moreover, the sacrifice which we ask of them is almost infinitesimal. We ask them to hand over each year for five years 1 per cent of their dividend, so that instead of keeping £5 they will retain £4. 18s. That will not make much difference to most people, but it will give us 450,000 Swiss francs a year. We ask our employees to give up their salary for four hours of work each year to our project, and that will give us 250,000 Swiss francs, so that we shall have over a million francs each year at our disposal. Our co-operators will be free to say "No" to this scheme, but our societies are recommending them with enthusiasm to say "Yes," and we think that they will and that the number of abstentions will be very small.

How shall we use the money? Each year we shall give the I.C.A. the sum of 100,000 francs for the general Development Fund of the Alliance. If the sum collected is less than one million francs we shall give one-tenth of the sum collected instead of 100,000 francs. With 100,000 francs we shall bring to our country each year 30 young people from Dahomey and give them an extremely concentrated course in the different branches of Co-operation in which they are going to be employed. From these 30 people we shall then keep ten for a longer professional training of 18 months to two years. They will learn all about milk and milk products, butter and cheese, and how to establish a dairy in the bush. We have experts who will train these young people. With the 800,000 francs which remain we shall aid, through experts on the spot, the co-operative movement in Dahomey to expand rapidly. It is a question of better distribution of produce and of the land, of creating agricultural co-operatives, and of transporting to the north, where there is sometimes hunger, the products of the south. It means raising the standard of life of the people.

We shall take care to let our co-operators know month by month what has been done with the money which they have given. Our people are not egoists and it is not with a light heart that they accept the fact that others are hungry, but they do not know how to help them and they are afraid that their help will be only a drop in the ocean and will not make any difference. We are giving them a precise and limited objective and the possibility of learning about the results. We want to bring these young people from Dahomey to the co-operative societies of our towns and villages so that our people may get to know and understand and love them. We hope that this scheme will be more than a co-operative, more than an economic success; that it will be a profound success in promoting brotherhood.

Mr. P. P. Takov, Bulgaria: When we think of co-operative organisation in countries which are now at the outset of their development, we reach the conclusion that we are faced with the very big problem of the creation of conditions in those countries which will enable the economy to be developed in such a way as to overcome the two evils from which they suffer, hunger and destitution. This is as important as the struggle for peace. What, then, are the essential conditions which will enable us to set up in these regions a co-operative economy? In Indonesia under the colonial regime all the chief enterprises were in the hands of foreigners. The first obstacle to the promotion of Co-operation in these countries is the feeling of the people that they are still under the colonial yoke. The Alliance must help the peoples of these countries to liberate themselves from colonialism. The brief history of the countries which have freed themselves shows what an important part Co-operation is already beginning to play in the liberation of these countries from monopolies and in the development of agriculture and industry. The main aim of the I.C.A. must be to contribute to the development of all forms of Co-operation and enable the people to obtain the machinery and equipment which they need as well as better conditions of life, so that they may increase the fertility of their soil and be able to do away with destitution and want. That is the part which the Alliance will have to play, and it can increase the resources of these countries through Co-operation instead of politics. This is the only policy to pursue; we must not follow the lead of the Co-operative League of the United States, which merely arranged for a survey which led to the conclusion that collective farming was a failure. We must help co-operative initiative in India. We have a proverb, "If you cannot help a man, at least do not hinder him." This is the most important question with which the I.C.A. has to deal.

Mr. T. Taylor, Great Britain: I think at this stage in the discussion of this problem the Congress is in danger of forgetting the issues involved in the tremendous welter of words that we have had. I liked very much the speech which we heard yesterday from our friend from Pakistan, who tried to bring us back to the realities of the problems which we were discussing. He gave us a picture of the peasant working in the fields with inadequate tools and resources and for whom we believe that we have a message. I sometimes feel as conferences go on and speech after speech is made that that picture of the man, the individual that we seek to help, becomes lost.

I am sorry that some of our friends have introduced into this situation the ideological conflict. I had hoped this morning, as I am sure that most of us did, that we were all united in the desire to do something practical to break the power of the moneylender in the villages and to provide the tools and techniques to raise the standard of living of these people and to provide a system which would give them dignity and enable them to co-operate freely with one another.

After sitting through this discussion I began to feel that if the problem led to so much discussion the movement must be seriously concerned about it, but then I recalled again that what we are discussing is the expenditure of some £30,000 to £40,000, and we have spent all this time and made all these speeches to discuss how the I.C.A. can work with the resources which we have placed at its disposal. I began to wonder why those who have shown themselves to be so much concerned put only such a limited sum at the disposal of the I.C.A. to tackle this problem.

I must come to two conclusions: first, that we are not so much concerned as we profess to be, and second, that the I.C.A. has not yet inspired sufficient confidence to engender a greater measure of support from its constituent bodies. I think that that is true; I believe that many societies ask what the I.C.A. is doing and what it has done to date. There is a certain amount of scepticism about the capacity of the I.C.A. to tackle this problem. My friend Dr. Laidlaw, suggests that there should be in the I.C.A. a specialised department to tackle this great job. I was impressed yesterday, as I am sure we all were, by the reports of the Petroleum Association and the Insurance Committee, which show what can be achieved by a combination of competent people doing a practical job, but when we measure against these activities what has been accomplished in the under-developed areas we must admit that the I.C.A. has not yet developed within its organisation the machinery to tackle this job.

We have been reminded by some of our friends in these countries that these are difficult problems, requiring not only technical skill but concerned and dedicated men who have both the spiritual sense and the patience and understanding to help. I hope that the I.C.A. will endeavour to recruit such men for these tasks. I should like to make some practical suggestions. The first is that already made by Dr. Laidlaw, that there should be a specialised division within the I.C.A. staffed by experts and concerned people. Secondly, representatives of the recipient countries should have the fullest opportunity to express their point of view regarding any activity that is undertaken. This is not a question of a bureaucracy in London deciding what is good for somebody in Pakistan. What I am saying is no reflection on the existing officers. I should like to see the I.C.A. undertaking limited projects, limited to its capacity, and clearly defining these projects, rather than fragmenting our resources. I should like to see our national movements bringing pressure to bear on our Governments to ensure that in the Specialised Agencies of the United Nations co-operative activity should be rated more highly. I should like the wholesale societies to give greater support to purchases from organisations in these areas, and I should like Congress to be able to feel at the close of this discussion that we have passed a turning-point in our affairs and are able to combine in taking part in an activity for the good of all mankind.

Mr. R. Ahmed, Pakistan: I wish to place on record the deep appreciation of the Pakistan co-operative movement of the importance which the I.C.A. has given to the subject of the promotion of the co-operative movement in the developing countries. I should also like to congratulate the three *rapporateurs* on the excellence of their papers. One speaker said that two of the *rapporateurs*, because they came from a colonial Power, were not qualified to present papers on this subject to Congress. I wish to clear up any misunderstanding which this observation may have created. The co-operative movement in India and Pakistan was initiated by the British, under British rule, some 56 years ago, and the movement developed to whatever extent it did under the guidance of able and dedicated British officers

whose names are still respected in these two countries. I am sure that that is true of other neighbouring countries in the same area. The British left good traditions of administration, and for that reason we parted as friends, and today we are associated again in that well-known association, the Commonwealth, and we give and take, on a friendly basis, in that association.

Coming to the subject proper, the task of development in the developing countries devolves on two big agencies, apart from the individual sector: one is the Government and the other is the co-operative agency. The Government does big things because it has vast resources and the authority to get its orders implemented by others. The co-operative movement does smaller and humbler and more human things, and is slower, because it proceeds only by peaceful persuasion. The obstacles in the way of co-operative development are many, and you are aware of them. You are aware of the lack of education in these areas, the lack of resources and the poverty. The Governments are doing whatever they can by carrying out such projects as community development projects, assisted and financed by the specialised agencies of the United Nations and by philanthropic organisations such as the Ford Foundation. So far as the co-operative movement is concerned, it needs a great deal of help from the Government, and my feeling is that the Governments in some of these countries have not yet fully appreciated the importance of the co-operative movement. The I.C.A. can help in this respect by organising seminars and conferences more often, so that the importance, and indeed the necessity, of developing the co-operative movement is brought home to the Governments and important people in these countries, leading them to pay greater attention to this very important matter.

My personal feeling – and here I strike a discordant note – is that we are paying too much attention to education. We have talked too long of education and co-operative philosophy and principles. In these countries the people know the basic minimum which it is necessary for them to know with regard to Co-operation and co-operative methods and principles; what is missing is the material and more tangible help which will enable the co-operative organisations in these countries to develop. This help should be in the form of finance and in the form of capital equipment and in the form of trained managers. If we had a wholesale society we should like it to have for some time a good manager from an advanced country who would set it up on proper lines. We should like to have such people for our co-operative stores, so as to give practical experience to people on the spot. We should also like to import certain things which we cannot import at the moment because of the restrictions on foreign exchange. If the co-operative movements in the more advanced countries which are rich and strong are able to supply capital goods, either as gifts or at subsidised rates or on loan, to the co-operative organisations of the developing countries, it will probably be possible for them to start their business and then later on to pay back the subsidy or loan which they have received.

In conclusion, I suggest that a research and development section be set up by the I.C.A. in collaboration with the specialised agencies such as F.A.O. and I.L.O. for selecting the results of comparative experience. We could learn more by knowing the conditions in Puerto Rico, Mexico, Japan, and Cyprus, than by sending people to more advanced countries in America or Europe.

Mr. C. Uribe-Garzon, Colombia: I wish to congratulate the authors of the papers and to speak on a subject which concerns the technical assistance programme of the I.C.A. I am here as a delegate of *Cooperativa Familiar de Medellin*, which

has long been a member of the Alliance and has more than 18,000 members, and also as an observer for the Colombian Association of Co-operatives, which was organised by the decision of the Sixth Congress of Colombian Co-operatives which took place in August of this year. My colleagues of the co-operative movement of the Argentine Republic, which is very well known and powerful, since it has more than 3,700 co-operatives with several million members and 25 federations, have done me the honour of asking me to say a few words on their behalf also.

At this Congress I have noticed the great interest taken in the expansion of the activities of the I.C.A. It is only right that the co-operative movement of so considerable a part of the world as Latin America, with more than 14,000 co-operative societies and nearly five million co-operators, should be in contact with the Alliance. It is difficult to understand how it is possible that at this stage in the world development of Co-operation, Latin America, which has built up a movement on the traditional basis of the Rochdale pioneers, should be isolated. We believe that there is enough being done in Latin America to make it useful for us to give information about the very important co-operative movements there, and I am happy to say that there are today national and international organisations which are able to provide experts, such as the head of the American Bureau who is attending this Congress.

The federations of co-operatives in the Argentine, Mexico, and Brazil are also concerned. We want to co-operate with the I.C.A. It cannot be denied that the greatest difficulty which exists today in the international development of co-operation is due to the differences which exist between one country and another. The Argentine Federation of Consumers' Co-operatives has submitted to Congress a proposal that Spanish shall be one of the official languages of the Alliance. Spanish is spoken by more than 200 million people. Many of our countries are under-developed and we welcome the enthusiasm that has been shown both by the I.C.A. and by other international bodies to help us. I express our best wishes for the growth of the I.C.A. and we hope that the Alliance will help us with constructive criticism.

Mr. D. E. Hettiarchchi, Ceylon: Before I make a few observations on the three papers which have been presented I should like to congratulate Congress on discussing this subject in a much calmer atmosphere than prevailed yesterday, when most of us from the smaller nations were almost sick as a result of the storm. The developing nations are most grateful to countries such as Sweden which have contributed so much for the propagation of Co-operation in other countries. Considering the amount of time which has been devoted to this important subject, I feel how good it would have been if this part of the Congress could have been staged in one of the countries of Asia; it would have meant tremendous publicity and been of great propaganda value, especially so far as the Governments in that part of the world are concerned.

My friend from Burma rightly touched on the problem of Government interference. As he said, in our countries Governments change frequently and Ministers come and go, and these Ministers do not always have the same policy towards Co-operation. I should like to see a plan drawn up by the I.C.A. giving sufficient information on the essential features of co-operation, so that there might be a continuous policy in these countries towards it. A speaker from India rightly touched on a very important aspect of this matter, and I do not propose to repeat what he said, because I do not want to take up more than I can help of the limited time available to us.

There have been various references to colonialism, and on that subject I associate myself with what was said by my friend from Pakistan, whose remarks apply also to Ceylon. In Ceylon our co-operative movement is nearly 50 years of age, thanks to the foundations laid by our colonial rulers, who established Co-operation in our country on a very good and solid basis. We only hope that this policy and these methods will be carried on, to secure the aims which are the subject of discussion today.

Our friends in Europe have very kindly offered us assistance and have promised help to our agricultural undertakings. I thank them for that, and in doing so I would emphasise that we should be able to work together to our mutual advantage. We feel, for instance, that with better understanding between the consumers' movements of Europe and co-operatives in the East the European consumers should be able to get their tea at much lower prices than they do today. What is difficult is to break through trade barriers and trading methods. This is a matter which organisations of world repute such as the I.C.A. must explore.

In conclusion, I would emphasise once again that such meetings as this, if held in the East, would have tremendous propaganda and educational value and would bring home to Governments the importance of the policy and methods of the Rochdale pioneers, which all of us in this Congress uphold.

Mr. J. Voorhis, U.S.A.: We have been discussing what the co-operatives in countries with more industrialised economies might do which would be of assistance to co-operative development in countries which are more agricultural. To my mind this is no one-way street. I should like to illustrate what we have in mind. This is a mutual aid programme and not a single-direction aid programme. Only last week we concluded the 22nd Congress of the Co-operative League. At the time of that Congress every one of our delegates wore a beautiful little sandalwood pin made for him by the co-operators of a co-operative organisation in India. This same Indian organisation of co-operatives, which does tremendously fine work in the co-operative marketing of handicraft products and the organisation of agricultural Co-operation and the development of co-operative agricultural credit programmes, also sent its President, who was the principal speaker at our Congress and who brought us a message such as we have seldom heard before. This was something of greater value to us than could possibly be measured in dollars. We were also given a booklet describing the work of this organisation in India, from which we learned a very great deal. It is not, therefore, a question of one hand giving and the other hand taking; it is a matter of mutual help.

Although I thoroughly agree with the many speakers who say that what has been done is not nearly enough – of course, it is not! – I would also point out that while in one sense we shall never do enough, in another sense Co-operation makes it possible for a very small amount, from the material point of view, to go a very long way, because Co-operation enables people to keep what they already possess. By mutual aid they can keep their buying power within their own control and build it up into a mighty economic force – because that is what it can be. If the buying power of people for certain commodities could be completely organised so that it could move as one economic force it would have very great power. If people will organise their needs co-operatively they can build institutions round them, and if they organise their credit – and everybody with capacity to produce has credit in the true sense, not just security – into credit institutions it becomes a mighty and constructive force. These ideas may be worth more, sometimes, than money, and

this is the kind of thing that can be done both ways between all kinds of countries in the world. There is a place not only for a broad programme through the I.C.A., but for relations between the co-operatives of different countries, each benefiting the other. It is for that conception of this programme that I want principally to appeal.

The President: Dr. Hatta has asked to speak in order to make a correction.

Dr. M. Hatta, Indonesia: I am not going to speak at any length, but I want to correct a misunderstanding which has arisen regarding something said in my paper. Mr. Linn, of Israel, quoted a sentence in my paper which reads, "Co-operative organisations are the only way out to raise the economic standard of the Asian and African peoples who have just been liberated from foreign colonialisation," and he thinks from this that I undervalue the activity of the Government in promoting welfare in different countries. That is not my intention. If you read my paper carefully you will see that I say that there are two sectors of activity, the Government sector and the people's sector. It is, of course, not true that everything can be accomplished through co-operatives. I say this in the paper, and I add:

"Large development projects, such as the building of roads, the construction of dams, and irrigation works, the generation of electricity, the establishment of basic industries, and the like, must be undertaken by the Government through use of money partly obtained from abroad in the form of loans or acquisition."

Governments can also promote welfare through the introduction of social legislation to protect labour and contribute to raising wages. There is, however, another sector, a private or people's sector, and I am convinced that in this sector only co-operatives can create anything which has a meaning for the welfare of the people. I do not believe that any other body in these countries can promote welfare. In the case of private firms and capitalist enterprises, the progress which can be achieved by several hundred people working for themselves is of no benefit to the people as a whole, whose life remains poor. In this sector only Co-operation can create welfare. That is what I mean by the sentence which Mr. Linn quoted.

The Long-Term Technical Assistance Programme of the I.C.A.

The President: We have concluded our discussion on the three papers. I am now going to submit the statement which has been drawn up on the long-term technical assistance programme of the I.C.A. This text has been brought to the knowledge of the Central Committee, and I shall now read it.

The President then read the following statement.

"Before outlining what the Technical Assistance Sub-Committee considers should be the Long-Term I.C.A. Programme of Technical Assistance or the Promotion of Co-operation, let us see the road which the Alliance has already travelled, the main lines of its promotional work and its effectiveness, remembering that, in the opinion of the Paris Congress which instructed the Authorities of the Alliance 'to draw up a Programme of action by the Alliance and its members for the promotion of Co-operation in all its forms in the developing regions of the world . . .' it should be possible on the results and experiences of the Short-Term Programme to consider and draw up a Long-Term Programme.

After declaring that the Alliance should not envisage a Programme which would compete with that of the United Nations and Inter-Governmental Agencies, rather that the practical contribution of the Alliance should be supplementary to the work of those Organisations, the first recommendation of the Technical Assistance Sub-Committee was that the I.C.A. should make its contribution in the sphere of education, training, and propaganda, especially for present and prospective leaders and for members of Co-operative Societies in the under-developed countries.

The types of assistance of practical value envisaged by the Short-Term Programme were –

The supply by the I.C.A. of elementary literature 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, for co-operators; Technical Training abroad for selected persons in under-developed countries; the provision of Scholarships and Bursaries for sustained studies.

Visual aids in the form of projectors, particularly mobile film units, have proved a most effective type of assistance for education and propaganda.

In the sphere of Regional Schools or Seminars, although the Alliance has not found it practicable to organise them extensively, those organised in Jamaica and at Carcassonne, in France, were most successful, and it is anticipated that the South-East Asian Seminar at New Delhi in November, will have equally satisfactory results. Technical Training and Study Courses have been arranged for several selected persons in under-developed countries, and although the results of these facilities are not immediately discernible they promise to bear fruit.

While such individual projects are of considerable value to the Organisations on whose behalf they are planned, the real problem for the Alliance and its affiliated Organisations was, and is, to promote and encourage the development of Co-operation in the several regions of the world where the need is greatest. These regions were defined in the paper submitted to the Paris Congress by the Director of the Alliance as being – the Middle East and North Africa, South-East Asia and the East Indies, Africa south of the Sahara, the Caribbean, and parts of Latin America, Oceania.

The first region chosen for the I.C.A. action was South-East Asia. The plan for this region started with the exploratory visit of Dr. Kéler in the last months of 1955 and early in 1956, and was supplemented by the Kuala Lumpur Conference in January, 1958. The first I.C.A. Regional Office in New Delhi started its activities in a provisional way during this autumn, pending the appointment of a Regional Officer and just on the eve of the Congress the Regional Officer has been appointed. The representative of the I.C.A. now working in New Delhi has i.a. planned a Regional Seminar on Co-operative Leadership to take place in November, this year. The importance attached to this Seminar, not only by Co-operative Organisations but by authorities as well, is underlined by the fact that it will be inaugurated by the Indian Prime Minister, Mr. Jawaharlal Nehru. The permanent I.C.A. Education Centre will furthermore start its activities after the termination of the Seminar. The I.C.A. Centre, which is mainly financed by the Swedish Co-operative Movement, is planned to organise Seminars, Courses, and Conferences, not only in India, but also in other countries in South-East Asia. So far as this region is

concerned some very important measures have thus already been undertaken, having not only a short time character, but aiming at a sustained long range activity of the I.C.A. in respect of Technical Assistance.

Let us now pass to the future.

Bearing in mind the experience and knowledge gained since the Paris Congress, one of the most outstanding of which is the need for integrated planning at international, national, and regional level, the Technical Assistance Sub-Committee considers that the main lines of the Long-Term Programme should be -

1. The Continuation and Completion of the Exploration of the Developing Regions, by experts, in order to provide the Alliance with first-hand accurate information of the existing Movements, the extent of their development, their problems and the type of I.C.A. assistance needed.

After South-East Asia the next region in which I.C.A. action is planned is Latin America and Mr. Rafael Vicens, General Secretary of the Co-operative League of Puerto Rico - one of the most outstanding and best known co-operators in the Americas - has received a definite assignment from the I.C.A. which he will take up in January, 1961.

At the same time, preliminary steps are being studied for a programme of action in Africa. Here the pattern will be rather different. The Alliance hopes to have the collaboration of Authorities in different parts of Africa.

So far as French-speaking North Africa is concerned the efforts of the Alliance will be joined with those of the *Institut Français d'Action Coopérative* and the Union of Swiss Consumers' Societies whose project and five-year plan have been announced to the Congress.

2. A Programme of Intensive Research as regards, for example, Co-operative Marketing, Processing and Supply; Consumers' Co-operation; the Multi-Purpose Society; Development of certain Co-operative Forms; Economic Trends and their possible Significance for the Co-operative Movement.

As far as possible the research will be undertaken by people in the particular region and the Alliance looks forward to considerable collaboration with the U.N. Specialised Agencies, also the Governmental and Non-Governmental Agencies.

3. The Promotion of Education at all Levels. The establishment of Educational Institutes or Centres where they are needed for the training of leaders, for the training of teachers to teach Co-operation at village level, also, in suitable instances, to provide higher education; the organisation of Regional Seminars and Conferences on specific aspects or forms of Co-operation, or for particular cadres of Co-operative officials.

Obviously the Alliance itself cannot create Educational Centres in all regions - neither is that necessary. Where Educational Centres or Colleges exist it may be possible for the Alliance to help in developing them further with a view to augmenting their facilities for training.

The Alliance may also find it possible to use existing Centres and Colleges for Seminars, etc.

There will also be co-ordination between National and I.C.A. efforts as in the case of the I.C.A.-K.F. Education Centre at New Delhi.

Other important developments to be kept in mind are the establishment of an International Centre for higher education, and the promotion of the teaching of Co-operation at existing non-co-operative training centres like that of the International Federation of Free Trade Unions.

In developing existing National Educational Centres or Colleges the provision of textbooks, etc., in vernacular languages would probably arise. Some such needs might be met by the translation of existing books into the language(s) of the country(ies) concerned which could be financed by the I.C.A. But in most cases it would probably be necessary for textbooks and primers to be written by educationalists in the countries and for the Alliance to finance the printing of them.

4. Collaboration with the United Nations and other Agencies in the field of Research; in the organisation of Courses and Seminars; in the preparation of handbooks on the practice of particular types of Co-operative Organisations; the production of films; the choice of experts to spend varying periods in developing countries giving advice and practical training to the co-operators of those countries; in carrying on pilot projects, and in other practical ways.

5. Promotion and Expansion of Trade between Co-operative Organisation in Developing Countries and the highly-developed Movements in Western Countries; also the Promotion of Co-operative Insurance Societies, Co-operative Banks or Credit Institutions. While the Technical Assistance Sub-Committee recognise that assistance in these spheres has been given by certain National Wholesale Societies, Insurance Societies and Banks – a number of young Movements urgently need commercial relations for the export of their own products and the import of essential consumer goods.

The Sub-Committee, therefore, recalls the appeal of the Stockholm Congress, 'to establish Co-operative Trading, Agricultural, Banking and Insurance Organisations to create, wherever practicable, business connections with similar Organisations in the lesser developed countries.'



In the detailed planning, as well as in the carrying out of its programme, the Alliance will need, and is confident that it will receive, the help and advice of the experts in the National Movements and of its Auxiliary Committees.

Finally, there is the all-important question of Finance – which is the crux of the whole problem.

The Central Committee have endorsed the recommendation of the Technical Assistance Sub-Committee that the promotional work of the Alliance shall be regarded as part of its normal activity and be financed from its income from subscriptions – which is in fact its only source of income. But as even the increased income resulting from the acceptance by Congress of the proposed amendment to Article 18 of the Rules will be quite inadequate, this Statement on the Long-Term Programme must close by a reiteration of the Call of the Stockholm Congress to affiliated Organisations to continue their contributions to the Development Fund on an increasing scale."

Contribution by the International Co-operative Women's Guild.

The President: I invite Mrs. Ziegler to make a statement.

Mrs. G. Ziegler, Switzerland: I am happy on behalf of the International Co-operative Women's Guild to tell you the result of the sales at the stall which we organised for the Congress of the I.C.W.G. and for this Congress of the I.C.A. The I.C.W.G. decided by resolution that the entire result of the sales should be handed over to the I.C.A. for aid to the developing countries, with the recommendation that it be used for the training of women in these countries.

Women from all the countries which are members of the Guild have made gifts to the stall, and the Swiss Guild added what was necessary in order to ensure that the stall was filled with pretty and useful things. The Swiss Guild also took charge of the stall. As a result of your support I am able to hand to the President as a symbolic result the sum of 4,000 Swiss francs. (Applause). We hope that by the end of this Congress many further contributions will have been made to swell the total amount. As you know, many little streams join to form a big river. If you wish to give your dear ones at home a little souvenir from Lausanne, I ask you to visit our stand, thus combining the agreeable with the useful and helping the people of the developing countries.

In addition to the proceeds of this sale there is a sum of £180, proceeds from an earlier meeting. While the contribution of the I.C.W.G. in relation to the needs to be met may be only a drop in the ocean, it comes from warm hearts and a feeling of solidarity and is a token to show that women co-operators want to help in this work. I hope that this modest little contribution may be the source of many blessings, and then our work will not have been in vain. (Applause).

The President: I thank Mrs. Ziegler and her organisation. This is a wonderful token of sympathy and will be an example to all our movements. (Applause).

Statement by Mr. Nyi Nyi.

The President: Before we continue with our work I ask Mr. Nyi Nyi, who is to take charge of the regional office of the I.C.A. in New Delhi, to say a few words.

Mr. Nyi Nyi, Burma: I cannot but be deeply conscious of the honour that the authorities of the Alliance have done me by my selection for the post of regional officer of the Alliance for South-East Asia, but my predominant feeling at the moment is one of humility when I think of the magnitude of the task which lies ahead of me, a task which may well require greater capabilities of mind and heart than I can lay claim to. I have, however, this consolation, that in the course of the trying days ahead I shall be sustained in my work by the simple, sincere faith that I have come to have, out of the trials and tribulations of the Burmese movement referred to by the leader of my delegation this morning, that Co-operation is the one sure way of improving our lives in every-material direction and that it has the capacity to make us worthy members of that part of the human community which is devoted to the highest ideals of human worth and human freedom, ideals that have for so many years been advocated by the International Co-operative Alliance and which have been reiterated in no uncertain terms at every one of its Congresses.

My other consolation is that in the region in which my work will lie I shall have no lack of co-operative friends who are inspired by the same ideals as I am and who will, I feel sure, never hesitate to lend a helping hand in a common endeavour to find solutions for the common problems of our movements, movements which have been bred in the same tradition of individual freedom and individual responsibility, traditions of which we are proud and which we draw mainly from the devoted and unstinted work of enlightened and progressive-minded civil servants such as our rapporteurs this morning, Mr. Henry and Mr. Surridge. I know that these friends of mine in the region will never fail me, and that the authorities of the Alliance will also always be there to support and sustain me in this, my humble task to advance its ideals and to promote its cause in the South-East Asian region to which I have the privilege to belong myself. (Applause).

Resolutions of Affiliated Organisations.

The President: We now come to the resolutions submitted to the Congress Committee. The first is a resolution from Czechoslovakia asking that all resolutions submitted by affiliated organisations be printed in the agenda of Congress. It is described as an urgent motion. This matter has been discussed at some length in the Central Committee, and the Congress Committee consider that this is not an urgent motion, but by Standing Order 16 the mover of the motion has the right to speak for five minutes. I therefore call on the author of the motion.

Mr. J. Nepomucky, Czechoslovakia: I wish first to indicate that this is not only a question of an urgent motion but also of the three resolutions which my organisation submitted six months before Congress, as the Rules give us the right to do. Every affiliated organisation has the right to submit to the Alliance proposals or resolutions for discussion by Congress. We submitted these resolutions within the statutory time-limit, but at the meeting of the Central Committee at Vienna it was decided, quite wrongly, to exclude these resolutions from the agenda of Congress and from discussion by Congress.

The Central Council of the Czech movement submitted three resolutions, the first dealing with peace, the second with aid to the under-developed countries, and the third recommending that the co-operative organisations of the German Democratic Republic, Hungary, Poland, and certain other countries, which have for years asked in vain to be admitted as members of the Alliance, should be so admitted. It would be interesting to know by what law the I.C.A. refuses to act in a spirit of true democracy and international co-operation and hinders contacts between the national co-operative organisations and the Congress, which is the supreme authority of the Alliance. This is constantly being done, but it is contrary to the constitution and Rules of the Alliance, and the consequence is that national organisations cannot bring their recommendations and proposals directly before Congress. This is not only a grave infringement of the constitution but diminishes the part played by Congress and restricts the rights of the body which is, as I have said, the supreme authority of the Alliance.

Congress cannot allow this system, which has been applied by a group of people, to go on, even if they form a majority on the Central Committee, because it is in contradiction to the constitution of the I.C.A. Why should the management of the Alliance make it impossible for members to express, in conformity with the Rules,

their views on important questions? Today it is a question of peace and of aid to the co-operative movements in the developing countries; tomorrow it may be other important questions which are concerned. This is an abnormal situation, which does not make easier the relations between members of the Alliance. Today this incorrect system affects Czechoslovakia and certain other countries, but what guarantee have we that this system, if we continue to tolerate it, will not promote general anarchy in our international organisation? We may finally find ways and means of letting the world co-operative movement know our point of view on some of the problems which we regard as important, but we are concerned here with a system which violates the constitution, and the constitution should be rigidly observed, particularly by the authorities of the Alliance themselves. I recommend Congress to condemn this procedure, which is quite incorrect, and to instruct the authorities of the Alliance to respect the Rules.

The President: The statements made by Mr. Nepomucky are not correct. Resolutions submitted by affiliated organisations must be received in due time, and the Czech resolutions were received in due time, but the authority which draws up the programme of the Congress is the Central Committee and the Central Committee alone. If we receive two hundred proposals we cannot submit them all to Congress. We have therefore to select a programme for the Congress, and we must decline to accept a certain number of resolutions, or it will be impossible for Congress to function. We did not prevent Mr. Nepomucky from speaking on the subject of the developing countries, and he spoke at great length, but in conformity with the Rules we drew up an agenda and eliminated certain resolutions. As you know, the Central Committee represents all the members of the Alliance. It is a sovereign authority which includes everyone. I have allowed the delegate responsible for the motion submitted to the Congress Committee to speak, and we must now pass to the next item of business.

The next proposal submitted was from the *Lega Nazionale* of Italy, proposing certain changes in the wording drawn up by the Membership Sub-Committee and endorsed by the Executive and the Central Committee on the question of eligibility for membership. As you know, this question has been studied since the last Congress, at Stockholm, and at the London meeting of the Central Committee the Executive was invited to study the question. It appointed a Sub-Committee for the purpose of which both Dr. Bonow and Mr. Klimov were members, and which drew up certain conclusions which appear in the Report to Congress. Congress cannot change the text, which simply explains the position taken up by the Sub-Committee. The Congress Committee therefore decided with unanimity that the motion of the *Lega Nazionale* cannot be accepted. If Dr. Gaeta wishes to speak he can do so, but it may be that he will not wish to do so.

That being so, we pass to another point, and a more delicate one. Three proposals have been made, one by our Japanese friends, one by our Indian friends, and the third by our friends of the *Lega Nazionale* of Italy, all suggesting the appointment of a special committee to examine admissions to membership. If the Membership Sub-Committee were to meet again they would merely do again what has already been done. If, however, the proposal is that a new committee should be set up to decide on applications for membership, as President of the Congress I have to declare that this is not possible. The Rules provide how applications for membership must be dealt with, and unless we change the Rules we must comply with them. If it is desired to change the Rules a specific proposal must be made to

that effect, and the change has to be agreed to by a two-thirds majority; a simple majority is not enough. So long as the Rules are not changed, it is for the Executive alone to decide on applications for admission, and the Central Committee can hear appeals against the decision of the Executive. The Rules as they stand do not allow the Executive to be replaced by another committee for this purpose. If the desire is simply to examine again a question which has been studied for the last three years, we shall never finish. As President of the Congress I repeat that it is not possible under the present Rules to set up another committee, other than the Executive, to decide on applications for membership. If the proposers of these motions wish to speak I shall call on them.

Mr. V. C. Parashar, India: The President says that the Rules as they stand do not allow effect to be given to my motion, and that if what I have suggested is to be done the Rules must be changed. With due respect to the Congress Committee which considered my motion, I submit that having regard to Article 21 no change of Rule is necessary. Article 33 says that it is the duty of the Executive to admit new members into the I.C.A. My motion does not suggest curtailing the powers of the Executive in this respect; I simply suggest that the applications of countries asking for membership should be examined by a committee so that the feeling of some members, that the applicants are not working according to the accepted principles of Co-operation, may result in the applications being examined and if necessary a report made to the Executive, which will retain the authority to accept or reject the recommendation. My proposal was never meant to take away the power given to the Executive under the Rules.

Article 21 states that the Congress, as the highest authority of the I.C.A., shall have sovereign powers. It is specifically laid down in this article, whatever may be said elsewhere, that this Congress is the highest body in the Alliance, and no authority outside Congress can prevent it from going into a specific question if it wishes to do so. That deals with the legal position.

On the merits of my proposal, Mr. Voorhis used the analogy of the cows and the horses, but there may be two kinds of cow, and we may want milk from each. We want to know who owns the cow and whether or not it is our own property.

The President: If another committee is given the duty of inquiring into whether or not an application for membership shall be accepted, that will deprive the Executive of the duty entrusted to it under the Rules. Do our Japanese friends want to speak?

Mr. S. Kobayashi, Japan: We submitted our motion because we love the I.C.A. and want to see it expand. We agree with Mr. Parashar.

The President: Mr. Klimov having taken up a different position on the Congress Committee, I call on him to speak.

Mr. A. P. Klimov, U.S.S.R.: I have asked to speak in order to defend the position which I took up in the Congress Committee. We held a meeting of the Congress Committee in order to decide what attitude to adopt on this question. At the first meeting we decided that as all three resolutions had more or less the same aim they should be combined, and a combined motion submitted to Congress.

The President: We asked the three organisations to come to an agreement.

Mr. Klimov: It was decided that a single resolution should be submitted, in accordance with Standing Order 14, which lays down that –

“When more than one motion or amendment is submitted for discussion on any item of the Agenda . . . they shall be referred to the Congress Committee, which shall endeavour to prepare an agreed text.”

Article 21 (c) states that Congress has the right, “To decide upon all motions and resolutions presented . . . by affiliated organisations under Article 25.” How can it be said that these proposals would require an amendment of the Rules? It is said that they violate the Rules because it is for the Executive to deal with admissions to membership, but these proposals do not affect that; they simply suggest the appointment of a committee to examine the question. The Italian proposal is that the Executive itself should set up a sub-committee, and therefore it is in full conformity with the Rules; there can be no violation of the Rules if these proposals are put to the vote in Congress. On the contrary, we shall be violating the Rules and the Standing Orders of Congress if these proposals are not put to the vote. If the Congress accepts the recommendation of the Central Committee on membership, this will be a violation of the Rules, but the sub-committee which has been proposed would bring the situation into conformity with the Rules; we cannot confirm the recommendations of the Central Committee with regard to membership until we have looked into this matter, and that is why I think that the decision of the Congress Committee is an illegal one and contrary to Standing Order 14 and to Article 21 of the Rules.

In conformity with Standing Order 15 we decided at the first meeting of the Congress Committee to invite the authors of these motions to present a combined text, but nothing has been done about it. That is why I am against this state of affairs.

The President: Does Mr. Cerreti wish to speak?

Mr. G. Cerreti: *Legg Nazionale*, Italy: Account must be taken of the fact that our proposal seeks to settle once and for all in the Alliance the problem of membership, not merely by recommendations which have now become valid by vote of Congress but by the constitution itself. If the majority in Congress feels that we should keep the door closed, or only half open to a number of movements in certain countries, that is not in accordance with the constitution; but by decision of the Central Committee, ratified by Congress, you have modified the ability of national organisations to decide, for instance, whether to have individual or collective membership. It is a paradoxical situation. Our aim was to get things settled normally in such a way that the Rules, whatever they were, should be in keeping with the factual situation which exists.

Our second aim – and this is where it is only remotely connected with the Indian proposal – is that when it is necessary to make the rules conform to a particular membership policy decided by the Central and Executive Committees and ratified by the Congress, it must be determined whether the situation requires a different rule to that on which the Alliance and its activity is based. Our resolution was not meant to sabotage but simply to make the Rules conform to the decisions taken by Congress. As soon as things are put in order in this way, a fair examination in the light of changed circumstances is always necessary, and it is possible that while re-examining the strict application of the Rules, article by article, we may feel it unnecessary to change them. This would mean, however,

that it might be possible in future to revise questions relating to a narrow interpretation of the rules. The Congress has not forgotten one thing: decisions taken by the supreme authority of a Congress no longer correspond to the form and spirit of the rules. This is my personal opinion and that of my delegation. I wish indeed, that my delegation were wrong and had submitted an unsound proposal, as Dr. Bonow would seem to believe. But everyone has the right to personal opinions and interpretations. You tell me that, as in matters of law, there must be a balance of opposing arguments; it is better to have an established principle to which both the majority and the minority can be reconciled. The statutes lay down rules which should strengthen and guarantee the rights of the majority as well as those of the minority.

The President: They have been respected.

Mr. G. Cerreti: If Congress considers unanimously or by majority that the policy decisions taken by the official bodies of the I.C.A. are normal and correspond in work and spirit to the Rules, then your conscience is clear. If on the other hand, you feel that there is a difference, the decisions must be reconciled with the Rules. This is the aim of our emergency resolution.

The President: Mr. Cerreti, whether you condemn us or not, our conscience is clear. Would the solution not be to refer this matter to the Central Committee? Mr. Cerreti proposes that this question be referred to the Central and Executive Committees first, together with the observations made here. Is that agreed?

Mr. G. Cerreti: The reason is that it is difficult to settle such a question at a Congress. It should be settled by a smaller Committee, that is to say by the Executive and Central Committees.

The President: The Executive will clearly have to take note of what has been said. There is no doubt that it always acts correctly and its conscience is clear, and it has the full support of the Central Committee; nevertheless it will examine these proposals again. Do the Japanese and Indian delegations agree with Mr. Cerreti that this matter be referred to the Executive and the Central Committee? It appears that they do. The question is therefore settled in that way.

Close of Sixth Session.

SEVENTH SESSION.

Thursday, 13th October, 1960.

Resolutions of Affiliated Organisations

Co-operative Pharmaceutical Organisations.

The President: We shall now deal with resolutions sent in by affiliated organisations and take that submitted by the Office des Pharmacies Coopératives OPHACO, Belgium.

Resolution.

The Congress considering -

That at this time when Sickness and Disablement Insurance has been established or is being established in all countries of the world;

That co-operative action in the field of dispensing of medicines is only carried on in a few countries and is non-existent in countries where the co-operative movement is powerful;

That a Co-operative Pharmaceutical Organisation can offer immense services to the peoples, as much by the technique of the dispensing of medicines as by the favourable economic conditions offered to the consumers;

That the international organisations of private pharmacists, by affirming that pharmacy must be the personal property of the pharmacist, tend, not only to make it impossible to establish Co-operative Pharmacies in countries where they do not already exist, but also to force the disappearance of those with a lawful existence in certain other countries, and, apart from this, uphold a corporate thesis which is contrary to social progress achieved through freedom -

Is of opinion that it is urgent that the Co-operative Pharmaceutical Organisations, directly or indirectly affiliated to the international Co-operative Alliance, should support, nationally and internationally, the existence of Pharmaceutical Co-operatives and promote their development.

Mr. G. Vande Moortele, Belgium, proposing the resolution: On behalf of the Belgian Office of Pharmaceutical Co-operatives I thank the Alliance for including in the agenda the resolution which we have submitted, and I thank the Swiss Federation of People' Mutual and Co-operative Pharmacies for having agreed that a Belgian delegate should come forward to recommend collaboration between all the co-operatives that have chemists' shops. The President in his address to the Stockholm Congress, in August, 1957, announced that Belgium had just contributed a pharmaceutical organisation to the Alliance and added that we must continue the extension of free and voluntary, co-operative movements. We believe we were the first organisation of this kind, so far unfortunately, we are the only national organisation based on the Rochdale principles which specialises in dispensing medicines to the public and pays the co-operative dividend to members.

Co-operative action in the field of public health is still very limited and not in proportion to what is being done in other fields in the different countries by the organisations represented here. That is why our organisation published in the *I.C.A. Review* of September, 1959, under the title, "Co-operative Action for Health in Belgium," a description of our movement and appealed to organisations of a similar type to our own to come forward. We even envisaged the formation of a special sector for Co-operative Pharmacies within the Alliance. In the same article we emphasised that the setting up of the health services in many countries has completely changed the idea of the chemist's shop being a private concern. We stated that, in our opinion, the international Co-operative Movement should direct its attention to the question of the democratic sale of medicines. We sincerely thank those societies who replied to our appeal.

The results already achieved are encouraging.

In Belgium there are 17 co-operatives owning a total of 260 chemist shops, as well as the many mutual pharmacies who share our aims. In Switzerland there is a Federation of Pharmacies formed by seven societies – some of which form part of the Swiss Co-operative Union – who together own 36 co-operative, mutual, and people's pharmacies. There are 51 mutual pharmacies in France where pharmaceutical bodies are all powerful. We were informed eight days ago that a commission, set up by governmental decree, has tabled a recommendation which provides for the democratisation of the profession at all levels – production, distribution, and dispensing. We hope that this reform will be carried out. In the Netherlands there are four large mutual pharmacies, which are not co-operative in structure although legal provision is made for this. In Italy there are a number of co-operative pharmacies run by the consumer co-operatives and some municipal ones. We have recently learned that there are at least 180. Israel and Indonesia are considering the possibility of setting up co-operative pharmacies. But it is in Great Britain that we find, to our great satisfaction, that there are over a thousand co-operative pharmacies belonging to societies affiliated to the Co-operative Union. These even have their own large industrial plants and central shops. We express our admiration for this achievement.

On the whole, and taking into account the fact that in many countries the pharmaceutical trade is nationalised, it can be said that the chemist's shop is the property of the chemist by virtue of legislation alone apart from any other consideration.

We feel that the I.C.A., by adopting the resolution which we propose, can encourage national organisations to set up co-operative pharmacies and to continue to develop those that are already in existence.

We would like to draw the attention of delegates to some important facts. The pharmacists have an international professional organisation which advocates the idea that a chemist's shop should be the property of the chemist. The Common Market countries have also set up a community of pharmacists which upholds this thesis and is supported in this by the International Pharmaceutical Federation. This group throws discredit upon the mutual and co-operative pharmacies in the six countries and even upon the co-operative, mutual, and people's pharmacies in Switzerland, which it holds responsible for what it calls the "subservience" of chemists.

In France and Sweden, to mention only two countries where co-operative activities are of great importance, pharmacists are grouped into what is very much a "closed shop" and together with the pharmaceutical industry and wholesale

trade constitute a formidable trust with regard to the economy of their countries. There is a danger of this state of affairs becoming general by the action of the community of Pharmacists of Little Europe and by that of the International Pharmaceutical Federation.

In the *I.C.A. Review* of April, 1960, Mr. Serwy also drew attention to the position which should be occupied by the co-operative and social pharmacies in the European Economic Community. Mr. Serwy emphasised that support could be given them by the Community of National Organisations of Consumers' Co-operatives of the Common Market. Co-operative, mutual, and social pharmacies also have the support of other organisations, in particular the mutual organisations of France, Holland, and Belgium.

By adopting the Resolution which we propose, the Congress would give proof of its desire to oppose the expansion of the pharmaceutical trust which is a form of monopoly. This is the best means of defending the co-operative pharmacies which already exist and of promoting their development. We would suggest that the Secretariat of the Alliance should communicate the Resolution to the Ministers of Health and the Ministers for Economic Affairs of the six signatory countries of the Treaty of Rome and even to the International Pharmaceutical Federation.

Mr. L. Pasquali, Lega Nazionale, Italy: The legal situation of pharmacies in Italy is now regulated by a law which provides that only a pharmacist may be in charge of or acquire a chemist's shop. This principle must be rejected, because there is no reason to doubt that a co-operative pharmacist is just as competent as anybody else. In the *Lega Nazionale* we have a certain number of co-operative pharmacies and there are also municipal co-operative pharmacies. We share the views of OPHACO and feel that all the co-operatives in the world should have the right to dispense medicaments to their members and to the public, because they are well fitted for working in this field, while safeguarding the interests of the consumers. We are convinced that our colleagues of the *Confederazione* share our point of view. I hope that Congress will approve this resolution unanimously.

The President: This question does not demand a lengthy discussion in Congress. It seems very important that we should defend this activity. We shall take a vote by show of hands.

The resolution was carried.

The President: We now turn to the presentation and discussion of Dr. Bonow's paper on "Co-operation in a Changing World." I call on him to present it.

Co-operation in a Changing World

A Survey of Objectives and Methods

with special reference to the

Western Co-operative Movements

By Dr. M. Bonow, Sweden.

- I. Definition of Co-operative Enterprise.**
- II. The Origin of Co-operation and its Types of Enterprise.**
- III. The External Milieu and its Development—**
 - a.* Democratic welfare states.
 - b.* Countries with a central planned economy.
 - c.* Development countries.
- IV. Some Structural Changes in the Welfare States of the Western World and their Influence on Consumer Co-operation—**
 - a.* Changes in distribution of population.
 - b.* Motorism.
 - c.* The rising standard of living.
 - d.* Increased leisure.
 - e.* Full employment.
 - f.* Important technological changes.
 - g.* Private distribution becomes large-scale business.
 - h.* Legislation and other state measures –
 - i.* General economic and social legislation.
 - ii.* State control of monopolies.
 - iii.* Housing policy.
 - iv.* Agricultural policy.
- V. Some Aspects of the Effects of Structural Changes on Other Types of Co-operative Activities—**
 - a.* Co-operative insurance.
 - b.* Co-operative housing.
 - c.* Petrol and Oil Co-operatives.
 - d.* Agricultural Co-operation –
 - i.* Agricultural Protective Policies.
 - ii.* The interests of agriculture in higher market prices.
 - iii.* The effect of structural changes on Agricultural Co-operation.

VI. The Economic Regions and the Global Perspective -

- a. The Six Powers Union.**
- b. The Free Trade Area.**
- c. Comecon.**
- d. Other regions.**
- e. Collaboration between the regions.**
- f. The regions and the structure of the economy.**

VII. A Programme of Co-operative Action.

A. Measures to increase the effectiveness of Co-operative Enterprise -

a. National measures -

- i. Rationalisation of shops and shop structure.**
- ii. The rationalisation of the structure of societies.**
- iii. Forms of integration -**
 - Integration between wholesale and retail trade;**
 - Integration of trade and production.**

b. International measures -

- i. International co-operative buying agencies.**
- ii. International co-operative production.**
- iii. Foreign trade between Co-operative Wholesale Societies.**
- iv. Exchange of "know-how."**

B. The Influence of Co-operation on Economic and Social Policy -

a. Action on the National Level -

- i. Competition on equal terms.**
- ii. National control of monopolies.**
- iii. Co-operative support of national programmes to assist development countries.**

b. Measures at Regional Level -

- i. Co-operative influence on the economic policies of the regions.**
- ii. Regional and global trading policies.**
- iii. Trade of the regions with the development countries.**
- iv. Co-ordinated economic expansion.**
- v. Regional control of monopolies.**

c. Global action -

- i. Collaboration between I.C.A. and other World Organisations.**
- ii. World Economic Aspects.**

VIII. Democracy and Economic Effectivity.

IX. The Realisation of the Co-operative Programme of Action.

X. Concluding Remarks.

Appendices.

I. DEFINITION OF CO-OPERATIVE ENTERPRISE.

The co-operative system of enterprise is not an end in itself, but a means by which the co-operatively organised members safeguard fundamental social and economic interests. At the I.C.A. Congress in London in 1934 the basic principles of all real co-operative enterprise were defined. This definition, which was arrived at after a comprehensive investigation, is still valid, and is to be found in Article 8 of the I.C.A. Rules regarding Eligibility for Membership. It reads as follows—

“ Any association of persons, irrespective of its legal constitution, shall be recognised as a Co-operative Society provided that it has for its object the economic and social betterment of its members by means of the exploitation of an enterprise based on mutual aid, and that it conforms to the Principles of Rochdale, particularly as regards —

Voluntary Membership;

Democratic Control assured by the election of the administrative organs of the Association by the members freely and on the basis of equality;

The Distribution of the Surplus to the members, in proportion to their participation in the social transactions or in the social services of the Association;

Limited Interest on Capital.”

A few remarks must be made about this rule. The Rochdale Principle of Voluntary Membership is extended in practice by the principle of open membership, that is to say, Co-operative Organisations must be open to anyone who wishes to become a member and can contribute towards the realisation of the objects of the Co-operative Society as laid down in its rules.

The rule governing the distribution of the surplus to the extent the member has made use of the services provided by the co-operative enterprise requires some explanation. This rule refers to that part of the surplus of a co-operative enterprise which, according to the rules and/or the decision of the members, is not retained in the Society as the common property of the members in the form of reserve funds or other collectively owned capital.

II. THE ORIGIN OF CO-OPERATION AND ITS TYPES OF ENTERPRISE.

⁷⁵The co-operative system emerged during the eighteenth and nineteenth centuries in different countries as a result of the social and economic revolution caused by the growth of industrialism. The collapse of the old self-supporting household economy, the increasing division of labour and the establishing of money economy, the growing large industries in the form of private capitalism were all incitements to voluntary efforts towards self-help in a co-operative form, mainly among the large, but economically weak, groups of workers, artisans and farmers, who could not, individually, enter into competition. The co-operative enterprises were thus often created as a defence against economic exploitation. Common to all of these groups was their attempt to take their economic affairs in their own hands. During this process in the communities that were being industrialised one after another, particularly in Europe and North America, the co-operative system of enterprise was developed into an instrument for organised self-help in a number of branches of economy.

(a) Consumers in both town and country founded Consumers' Societies for the purchase of, first, the most important necessities – food and goods in everyday demand. The variety of appliances has grown with the economic development to include clothes, household goods and similar articles that are not part of daily household purchases. Nowadays the sales of the Consumers' Co-operative Movement include such durable goods as household machines, wireless and television sets, in many cases even building materials, etc.

(b) The co-operative system was also applied at an early date to provide better and cheaper insurance protection.

(c) The purchase of dwellings, particularly in towns and urban areas, was also organised at an early date in many countries according to co-operative principles.

(d) In some countries the consumers' growing economic interests in the motor-car, petrol and oil markets have been safeguarded by the creation of co-operative buying enterprises.

(e) The Co-operative Organisations created by farmers are, in many countries, specialised in some main types: besides Producers' Co-operatives, there are Buying Societies for certain essential goods required by farmers in their work, and Co-operative Selling Societies. The Agricultural Co-operative Buying Societies usually deal in seed, fodder and artificial fertilisers, machines and other implements. Loans on real estate, and working capital are often obtained co-operatively. The Agricultural Selling Societies are often specialised in different branches such as dairy produce, livestock, eggs, vegetables, fruit and so on. In some countries there are even Co-operatives organised for the sale of forestry products.

(f) Special co-operative enterprises that must be mentioned are those organised by fishermen, both Buying and Selling Co-operatives. In some countries this type of co-operation is very highly developed. There are also examples of Co-operatives organised jointly by consumers and fishermen.

(g) In some countries artisans and owners of small industrial undertakings have, like farmers, organised Buying Societies for the purchase of things necessary to their work, and Selling Societies for the marketing of their products.

(h) Finally, a special type of co-operation represents Producer Co-operatives often run by the workers in an enterprise.

(i) The co-operative system has been applied in some countries in the organisation of health services, education, road-building, collective transport services, collective agriculture, the common use of agricultural machines and so on. In the countries now developing rapidly, where the state and local authorities to a much smaller degree than in the western social welfare states provide for supplying the demand for certain types of collective consumption, co-operative enterprise has, and will have for a long time to come, a much wider field of action than in the old industrial countries.*

*This survey of the sphere of action of co-operative enterprise is not intended to be a comprehensive description of the present situation, but only a brief summary.

III. THE EXTERNAL MILIEU AND ITS DEVELOPMENT.

The development of the Co-operative Movement, implied in the different types of co-operative enterprises and their principal spheres of activities has coincided with and resulted from the successive transformation of the economic and social conditions in all the countries where co-operative activities are carried on, and at the same time it has been an important factor in the general social progress of many countries. The influence of the Movement on the general development should, therefore, not be underrated, even if its significance is limited.

While there is no question of giving, in a paper to this Congress, a comprehensive account of the great changes that have taken place in the rather more than a century during which the Co-operative Movement has developed, a brief survey of the essential features of the different social systems that have emerged during the present century is necessary, even though it must be very schematic.

The various economic systems, in which co-operation is now applied in different parts of the world may be roughly divided into three groups:

(a) Democratic Welfare States.

A large number of states in the western world belong to this group and their social order and economic structure may be described as follows:

Typical of these countries, which may be more or less industrialised, is a mixed economy in which the state and local municipal authorities are responsible for a large or small sector of the economic activities, while the remaining activities are in the hands of co-operative and private enterprises. In regions not represented by collective consumption administered by state and local authorities, and regions where state activities have, for fiscal or other reasons, a monopoly, there is in principle competition on equal conditions between state, co-operative and private enterprise. The conception of a democratic welfare state includes another main criterion, namely, that the social order must be based on political democracy and an application of the fundamental human rights and privileges.

It should be observed that freedom of association is included in these rights, and that the right to establish Co-operative Societies is consequently intimately connected with the democratic system itself.

In the most economically advanced welfare states, development has obviously moved in the direction of what the American economist J. K. Galbraith called "the affluent society." A feature of these communities is that the elementary necessities - food, dress and shelter - are well supplied, and that demand is to a great extent aimed at things connected with people's tastes and interests, their need for amenities, variety, and leisure-time activities, their aspirations towards social prestige. The physiological needs no longer decide lines of production. Instead, it is the productive processes themselves that to an increasing extent determine the direction of demand, primarily by means of mighty, scientifically applied advertising campaigns. In such a community the Co-operative Movement

must fulfil more complicated functions than at the time of the Rochdale weavers when the main task was to provide pure unadulterated necessities at reasonable prices. I will return to this problem later.

(b) Countries with a Central Planned Economy.

Since the first World War – in certain cases since World War II – very rapid industrialisation has taken place in a number of countries within the framework of a state planned economy. The chief of these is the Soviet Union. The rapid industrialisation process has made necessary a very high savings quota. In other words, it has been deemed fundamental, for a shorter or longer initial period, to restrict the demand for consumption goods in order to create the necessary scope for investments. It is self evident that the rapid and strong increase of the investment volume in these countries, as well as in other parts of the world, is not an end in itself but a means of achieving, in the long run, a higher standard of living.

In the strictly directed economy every kind of economic activity has had, and is, to be fitted into the framework of the central plan. This is also true of Co-operation, which in the Soviet Union and the European states belonging to the Soviet group has been subjected to great changes as a consequence of state intervention.

In these countries the state owns the most important means of production, and is responsible for by far the greater part of the total economic activities. The political order is based on the Leninist-Communist ideology of the dictatorship of the workers, and is characterised by a one-party system. Even if there may formally be more than one party in these countries, the state administration is in reality controlled by one party only – the Communist Party.

(c) Development Countries.

With the successive collapse of colonialism, new independent states have arisen in large parts of Asia and Africa which are often called development countries. A feature of these states – like some older ones in South America – is that their national economy is based to a large degree on the production of raw materials (90 per cent of their currency incomes are derived from the export of raw materials). Most of them are in an early stage of industrial development, and their political systems vary greatly. Some are well developed and relatively stable democracies, in others great concentration and centralisation of power, often under military leadership, is the order of the day.



This division into three main groups does not by any means give a complete picture of the infinite variety of economic and political systems in the different parts of the world. Several countries occupy a position mid-way between the three groups, or are such special cases that they cannot be included in either group.

The conditions for co-operation vary greatly in these three main groups. During the whole post-war period this problem has been carefully considered within the I.C.A. in connection with the question of membership. The remainder

of this paper will be mainly concerned with the aims and methods of the Co-operative Movements in the western democracies, with due regard to the changes in their economic and social structure that are taking place. This limitation of the subject is justified for two reasons. The special problems of co-operation in the development countries – with reference also to the economic and social changes taking place in the world – will be the subject of three papers at the Congress. In my paper, therefore, the economic problems of the development countries will be treated only as an integral part of the global changes in the economic and social structure, especially in connection with a survey of the situation and the trends in the development of international trade. The other reason is that I have not the knowledge necessary to enable me to make an analysis of the problems of development in the communist states. I shall, therefore, deal with this group of countries mainly in connection with the discussion of international collaboration, above all in the sphere of trade policy. Appendix A to this paper, however, contains some factual information received from the Co-operative Movements concerned, in replies to a questionnaire.

IV. SOME STRUCTURAL CHANGES IN THE WELFARE STATES OF THE WESTERN WORLD AND THEIR INFLUENCE ON CONSUMER CO-OPERATION.

During the present century, a whole series of economic and technical changes, which are likely to influence radically the conditions of work in co-operative enterprises, have occurred in the western states. Obviously there can be no question of giving an exhaustive account of them here, but the following are a few of the most important factors.

(a) Changes in Distribution of Population.

In connection with the industrialisation still proceeding in most western states, a considerable internal geographical movement of population has taken place. A stream of people, particularly those in their active years, have gone from agriculture and the sparsely-populated rural areas to towns and urban districts. This trend is far from ended in many countries. This change in the distribution of population alone influences the basis of the network of shops belonging to Co-operative Organisations that are geographically widespread. In order to plan systematically the distribution of co-operative shops in both town and country, it is important to be able to judge in advance the probable development of population. For example, the Swedish Co-operative Movement in collaboration with demographers and economic statisticians has drawn up a forecast of the development of population in Sweden up to and including the year 1975 (see Table 1). This forecast gives a survey of the total population, its distribution according to sex and age, and its probable geographical distribution in rural and urban districts. The figures refer to about 100 areas. This population forecast, together with other economic data, makes it possible for Swedish co-operation to plan the future shops, also to influence the conditions for the creation of new Societies and the geographical boundaries between the successively declining number of Co-operative Societies as a consequence of the progress of amalgamation.

Table 1.

Population in Sweden in 1975.

Age	Estimated Population 1975 in thousands				Changes in per cent 1960-75			
	Regional Centres	Densely populated areas*	Rural areas	Total	Regional Centres	Densely populated areas*	Rural areas	Total
Under 14	920.4	277.5	488.0	1,685.9	+10	+6	-10	+3
15 to 39	1,644.0	445.6	727.8	2,817.4	+27	+12	-11	+12
40 to 64	1,417.5	393.9	693.6	2,505.0	+12	+3	-17	+1
65 and over	680.7	213.8	462.6	1,357.1	+69	+60	+24	+49
Total	4,662.6	1,330.8	2,372.0	8,365.4	+23	+13	-3	+11

* At least 500 inhabitants.

Source: Population in Sweden in 1975. Part 1.

(b) Motorism.

In the western industrial countries there has been, and still is, an extremely rapid expansion of private motorism. (See Tables 2 and 3.) This probably means that in several western countries there will be in about 10 years or so a frequency of private cars equivalent to that now existing in North America, that is, an average of one car per family. This trend of development has already affected, and will affect even more in the future, the localisation of certain parts of the network of co-operative shops. A concentration of the sales of dry goods to urban areas will be hastened by this development. The reduction of the rural population, and the ease with which motoring purchasers can obtain their requirements of durable goods, combined with the larger variety of goods in towns and urban areas, will make the sale of dry goods in rural shops unprofitable and lead to an equivalent reduction of the variety of goods for sale in the remaining country shops. At the same time the rapidly expanding motorism will cause such grave parking problems in the old towns that large retail shops in the form of "supermarkets" and shopping centres will be necessary especially on the outskirts of the larger towns as a complement to the large shops and department stores in the centre of the towns. A complete transfer of department stores and large shops from the centre of the cities to peripheral areas is, however, hardly probable, since collective passenger transport by bus, underground, etc., is available in the largest towns.

Table 2.

Passenger cars in 1948-57 per 1,000 Population.

Region	1948	1957	1948-100 Index
Africa.....	640	1,500	234*
Asia.....	380	1,160	305*+
Europe.....	5,130	15,790	308*+
North America.....	35,160	60,120	171*
South America.....	640	1,190	186*
Oceania.....	910	2,190	241*
Total.....	42,860	81,940	191

*+Except Albania, Bulgaria, Czechoslovakia, Hungary, Rumania, U.S.S.R., China (continent), Eastern Germany, Northern Korea and, after 1954, Northern Vietnam.

*Includes estimates by U.N. Statistical Office.

Source: U.N. Statistical Yearbook 1958, Table 137.

Table 3.

Passenger cars per 1,000 inhabitants in 1957.†

Country	Cars per 1,000 inhabitants	Country	Cars per 1,000 inhabitants
U.S.A.	327	Belgium	60
Canada	203	Ireland	49
Australia	162	West Germany	49
Sweden	117	South Africa	49
France	90	Norway	44
Luxemburg	87	Netherlands	34
Great Britain ..	81	Austria	33
Iceland	72	Finland	29
Switzerland	68	Italy.....	26
Denmark	62	Venezuela	26

†Countries with more than 25 cars per 1,000 inhabitants.

Source: Statistical Yearbook for Sweden 1959.

(c) The Rising Standard of Living.

The great rise in the standard of living still going on in the western world has already influenced, and in the future will influence still more, the demand for consumption goods. The more the standard of living rises, the less, as a rule, will be the proportion of income required for purchases of food and other necessities of life. This trend will cause absolutely and relatively greater demands for such goods and services as fashionable clothes, equipment for sport and leisure-time activities, durable articles and capital goods such as furniture, wireless and television sets, gramophones, household machines. The development of private consumption in some western countries is shown in Table 4. The influence of the pattern of demand, corresponding to the increase in real income is illustrated by the example of Sweden (see Table 5). This demand necessitates an expansion of the present variety of goods at department stores and special shops. As far as the Co-operative Movement is concerned, this will mean the adaptation of stocks of department stores to this change, while traditional methods of trade will have to be complemented by some form of hire purchase as regards the more expensive capital goods.

Further, as a consequence of the continuous rise in the standard of living, consumer demand will be more and more directed towards the purchase of private cars and other motor vehicles. Unless the Co-operative Movement is to leave the motor market – the sale of fuel, spare parts, and services – out of future planning, special action is required. It will probably be difficult to fit sales of motor-cars and fuels into traditional co-operative retail trade as it exists today in the more highly developed industrial countries. A solution of this problem as a rule assumes the creation of specialised undertakings for the sale of motor-cars, fuel and so on, but owned by existing Co-operative Organisations.

Table 4.

Private Consumption in OEEC countries and U.S.A., 1948–57 (1953=100).

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
OEEC countries	81	84	90	92	95	100	104	110	114	118
U.S.A.....	85	87	93	93	96	100	102	109	113	115

Source: OEEC: A Decade of Co-operation.

Table 5.

Development of Consumption in Sweden, 1931-65 (1955=100)

Year	Food	Housing	Clothing	Household utensils	Domestic services	Travel	Recrea- tion	Medical and personal care	Total 52
1931	68	50	47	43	94	26	38	37	
1939	77	60	63	68	95	44	58	59	66
1945	78	63	64	69	102	44	68	61	68
1955	100	100	100	100	100	100	100	100	100
†1965	125	136	155	167	(122)	160	150	(136)	139

†Estimated annual increase, 3 per cent *per capita*.

Source: Private Consumption in Sweden in 1931-65.

(d) Increased Leisure.

A very important structural change has taken place in the western world as a result of reduced hours of work. This process is still going on, and the extent of different leisure-time activities will create the need for contributions by the Co-operative Movement. In many cases this growing demand for leisure-time amenities can be met by special organisations established jointly by several popular movements. Examples are co-operative travel organisations that have been established in several countries, often organised jointly by the Co-operative Movement, the Trade Unions and other people's movements. In addition to travel agencies the Co-operatives often have their own hotels and restaurants. "Hobby" activities are also organised in some countries by several popular movements in collaboration. These amenities are often for young people, and in some cases attached to co-operative department stores. The Popular Movements also collaborate with regard to films and cinemas. With increased leisure and increasing real incomes, the provision of such services will become a more and more important task for co-operation.

(e) Full employment.

A basic change has occurred in the structures of the economy of a number of western welfare states during the post-war period by the present full employment policy. Full employment today and in the future means a long-term tendency towards a more rapid increase in incomes than was the case during the inter-war period with its more marked trade fluctuations. The consequences of this will be especially noticeable on the costs side, particularly in different kinds of service occupations, where labour costs are responsible for a relatively large proportion of the total. Distribution is an important example of such service occupations. As an illustration of this we may mention that in the Swedish Co-operative Societies the direct labour costs (including social amenities) comprise about 70 per cent of the total costs of the Societies. If indirect labour costs are included the percentage will be still higher. The possibility of replacing manual labour by machines is much smaller in distribution than in production, and other ways of neutralising the rise in costs must be sought. The results of full employment are, therefore, among the most important reasons for replacement of traditional service shops by self-service shops.

The effect of full employment on the structure of retail trade appears in two other ways, too. During great prolonged shortages of labour, several tendencies, due to other factors, towards the increased professional employment of married women will become more marked. This, in its turn, will have repercussions on, among other things, the direction of the demand for goods. The necessity for married women employed outside their homes to reduce the time spent on cooking and other housework creates a greater demand for ready-cooked or semi-cooked food for the rapid preparation of meals in the home, and also a certain tendency for families to take some meals away from home, which increases the need for cheap co-operative restaurants. It is also obvious that the professional employment of married women will tend to increase the demand for labour-saving devices in homes, particularly as the possibilities of paid help will be restricted to families with very high incomes. The professional employment of married women also means that the family income will be higher, and therefore the purchasing power of the family will be greater. Full employment also means that young people, too, can earn good wages, even before they have left home, in temporary jobs during school holidays and in permanent positions. This contributes towards making the family income larger, and therefore increasing the demand for goods. Both in North America and Western Europe the new rôle of teenagers as consumers, on account of their high wages, has been observed as a factor in the selling policies of both co-operative and private department stores.

(f) Important Technological Changes.

There are many technical developments of importance to the structure of modern distribution.

i. The advance of modern mechanised packing is in itself a factor that facilitates the change-over from counter service to self-service shops in which the customers themselves perform some of the tasks of the paid personnel. It is obvious that modern packaging also makes possible the rationalisation of wholesale trade and transport.

ii. A very important factor for both retail distribution and wholesale trade is the development of deep freezing, which is particularly significant to the sale of fresh goods from the aspects of supply, quality and price.

iii. The high degree of mechanisation, which is usually called automation, opens up greater possibilities of rationalisation, not only in the sphere of production but also of administration. The new accounting machines and the application of electronic technique make it much easier for the management to follow and control the whole of the economic activities within far larger units than was possible earlier. (Stock-checking, sales control, calculating results and so on can be automated and mechanised profitably in large enterprises.

iv. Changes in the sphere of transport techniques and the development of industrial techniques are playing a more and more important rôle for large-scale production. Large-scale production in branches in which small-scale undertakings were formerly economical is a very clear trend of development. In many cases this implies that if a factory is to retain its ability to compete it must be re-localised and manufacture must be concentrated in fewer and larger production units within a whole branch. This is also of importance to co-operative production of foodstuffs, where the co-operative form of enterprise is most widespread.

The technical changes mentioned under points i. to iv., and their economic consequences are, naturally, only a few examples of special importance to the structure of production and distribution and, therefore, to the conditions of competition for the Co-operative Movement.

(g) Private Distribution becomes Large-Scale Business.

When the Consumers' Co-operative Movement began it had to compete with private distribution, which might be described as then consisting of unorganised small undertakings. In North America and, somewhat later, in Europe, however, a development began rather early that was characterised by the creation of large-scale private enterprises. These are now keener competitors to the Co-operative Movement than were the unorganised small distributive units. Through the private chain-stores in the grocery trade, department stores and certain types of special shops (footwear and chemical-technical articles, for example), the growing Co-operative Movements in many countries have met with great initial difficulties, while in other countries, where Co-operation was established during the time of the small shops, competition has become gradually keener. Small units in private retail trade have been compelled, in competition with both chain-stores and the usually large Consumer Co-operatives, to rationalise in order to be able to compete. This has been effected by, amongst other things, voluntary purchasing collaboration in the form of either so-called wholesale sponsored chains or retail sponsored chains. Irrespective of whether the initiative of such buying collaboration originates with the wholesale or retail side, the effect is the same, namely that small private undertakings have gained at least some of the savings of costs which the integrated trade within chain-stores and consumer co-operation had obtained earlier. Certain more competitive types of enterprises, such as so-called discount houses with varying organisation in different countries, are also part of the picture.

The development tendency in the western world seems to be that the most effective competitors of co-operation, chain-stores, so-called voluntary chains and discount houses, will account for an increasing part of the retail and wholesale trade in the private sector of commerce. Thus Co-operation will meet more effective competition from private enterprise in the form of large-scale undertakings which, at the same time, form economically integrated units (integration between retail and wholesale trade, and in certain cases also production). That this change in the situation of competition for consumer co-operation must lead to increased efforts towards greater efficiency and integration between retail and wholesale trade and production is, in any case in principle, a conclusion which has already been generally accepted in the Consumers' Co-operative Movements of the western world.

(h) Legislation and other State Measures.

In western welfare states, the state influences economic life by economic and social legislation, which lays down, so to say, the general structure and rules of competition and collaboration between different enterprises and types of enterprises engaged in distribution and production. This legislation refers to conditions during times of peace, or what might be called normal conditions. During the war and post-war years, very detailed state rationing and regulating action was taken on account of the shortage of goods and war conditions generally, and this influenced competition. A few types of legislation relevant to peace time may be mentioned as examples.

i. General Economic and Social Legislation.

Such legislation has great influence on the conditions of competition between different types of undertakings. As regards taxation and general economic and social legislation, the representatives of co-operation in most western countries claim the right for co-operation to compete with private and, where they exist, with state enterprises in different spheres on as equal terms as possible. Thus in principle co-operation in these countries demands that, in relation to other competing types of enterprise, co-operative business shall be neither handicapped nor favoured. This refers to taxation, general commercial regulations and to the demands made by social legislation upon different enterprises. This fundamental aspect of legislation is also of great importance from the viewpoint of consumers and the general community. If the state favours or hinders one type of enterprise in comparison with other types competing in the same branch, the possibilities of measuring objectively and comparing the actual economic efficiency of different types of enterprises and their ability to produce or sell goods or services equal in quality and price, will be biased or non-existent. In welfare states where not only full employment of all the productive resources including labour is the aim, but also effective employment of all resources is a central objective, the possibility of making valid comparisons of the performances of different types of undertakings is of fundamental significance.

ii. State Control of Monopolies.

During the post-war period, in particular, new laws have been enacted or old ones amended to prevent the limitation of competition by means of cartels and monopolies and other restrictive methods of business being to the disadvantage of the community. The legislation of some countries includes definite prohibition of resale price maintenance, the creation of tender cartels and similar horizontal and vertical restrictive organisations. In several countries the 'Consumers' Co-operative Movement has endeavoured to strengthen this protection of the consumers by, amongst other things, the establishment of productive undertakings to compete with the great national or international cartels. Such legislation, which in principle favours consumer interests, does not imply, however, that different types of enterprise will be either favoured or handicapped. On the other hand, it increases the possibilities of effective competition on equal terms.

iii. Housing Policy.

In some western countries state and local municipal authorities have contributed towards providing a higher standard of housing on economically reasonable terms. Such state and municipal action has been partly aimed at helping the lower income groups, in particular, to obtain better living standards. The extensive population drift to towns and urban areas has also been a motive for this housing policy. In addition to local building enterprises, Co-operative Building and Housing Societies have contributed largely towards the practical realisation of the aims of the housing policy.

iv. Agricultural Policy.

In the great majority of countries different lines of action have been taken to protect the incomes of the agrarian population. In a number of countries in which agricultural production functions under the direct influence of world market prices

are disregarded, agricultural policy in the other countries has, by protective tariffs and similar measures, tended to preserve the price level for home-produced agricultural products as compared with prices on the world market. In some countries, however, this policy of protecting agricultural producers and workers has been accompanied by state action to combine very small farms into larger units to facilitate the more effective employment of modern agricultural machines. The aim of this rationalisation is to reduce costs, which may in the long run make possible the domestic production of food raw materials with lower protective tariffs or without any protection at all in relation to the world market. This national protection of agriculture may, naturally, affect both Consumer Co-operatives and other distributors of food, as well as the assembling, processing and marketing of the products of the individual farmers by Agricultural Co-operatives. In some countries Farmers' Marketing Co-operatives are entrusted by the state with some tasks in connection with the implementation of agricultural protection policy, for example, by means of marketing schemes.

V. SOME ASPECTS OF EFFECTS OF STRUCTURAL CHANGES ON OTHER TYPES OF CO-OPERATIVE ACTIVITIES.

So far this survey of the structural changes in individual welfare states that fundamentally alter economic life has dealt with the consequences which may be expected in those sectors of the national economy where consumer co-operation is already actively engaged (distribution, wholesale trade, and to a certain extent also production, particularly of food and other articles in everyday demand). It is obvious, however, that the structural changes in the national economy of different countries mentioned also influence to a greater or lesser degree the conditions of work for other forms of co-operation. A brief sketch will be given of the influences of some structural factors on certain other forms of co-operative enterprise.

(a) Co-operative Insurance.

The important branch of consumer co-operation represented by co-operative insurance is naturally greatly affected in various ways by the transformation of modern society caused by the rise of the social welfare state. A few examples of such influence may illustrate this complicated problem. The rapid rise in the standard of living is naturally reflected in the increase of the needs of families for higher insurance protection as regards both life and property, and, at the same time, the economic ability to provide such protection is growing. The enormous increase in the number of private cars, for example, has a very important influence on co-operative insurance. The effect of full employment is more complicated. Its significance as regards increased family incomes has already been mentioned. Full employment in the western welfare states has been achieved partly at the price of a continuous depreciation of currency. One effect of this has been reduced interest in forms of insurance (capital insurance and the like) which imply a considerable amount of saving. On the other hand, interest in life and accident insurance, that is to say, pure insurance against risks, has not been adversely affected by the inflation. Another structural factor must also be mentioned, namely, the extension of social legislation in the welfare states. By comprehensive state health insurance and old-age pensions covering the whole of the population, certain special types of insurance are naturally affected. The need for complementary protection to augment the basic security provided by the state social security system will, however, be of increasing importance to co-operative insurance.

(b) Co-operative Housing.

It is obvious that co-operative housing will have a greatly widened sphere of influence as towns and urban centres expand rapidly with the drift of population, also through the rising standard of living, particularly the increased family incomes. It has already been mentioned in connection with the state social housing policy that these state and municipal activities have been of fundamental importance to the work of Co-operative Building and Housing Societies in western welfare states.

(c) Petrol and Oil Co-operatives.

Among the more important structural changes already mentioned the enormous expansion of motorism. This change, combined with the rapidly increasing standard of living and the influence of the drift from rural to urban areas (private cars will no longer be a luxury in sparsely populated areas but a necessity) will, in many countries, create a large and, for consumers, important sphere of action for car, petrol and oil co-operatives.

(d) Agricultural Co-operation.

During the preliminary discussion of this paper in the I.C.A. Executive, the wish was expressed that it should not be confined to structural changes that affect the working conditions of Consumer Co-operation, and it was stressed that Agricultural Co-operation in different countries must also adapt itself to drastic changes in the economy of individual countries and in world economy. In view of the vastness of this subject the following must be regarded only as a general contribution to the discussion. Special studies of the adaptation problems of Agricultural Co-operation will probably be undertaken by the I.C.A. Committee on Agriculture.

i. Agricultural Protection Policies.

It has already been stressed in an earlier section (IVg) that in most countries the state authorities have applied special measures to preserve the income level of the agrarian population. The principal reasons for these state measures are -

During the inter-war years, in particular, many countries, for reasons of preparedness, wished to keep domestic agricultural production at a certain level in order to reduce difficulties of supply in case of war or international obstacles to trade. Since the end of World War II, however, this reason has become of secondary importance in several countries.

Another basic reason has been the tendency towards a deterioration of price relationships between agricultural products and industrial goods, which in its turn has been due to a whole series of complex causes in both industrial and agricultural production.

A third important reason has been that, in a large number of western countries, on account of varying conditions, agricultural goods are produced by a very large number of farmers who cultivate very small areas of land. Costs of production are relatively high on these small farms. For these and other reasons, in many industrial countries an agrarian policy is applied to protect agriculture. Even in some countries with surplus agricultural production where agriculture works under world market price conditions, state subsidies are made to support a few agricultural products.

As already mentioned, there are in some countries, in addition to a policy of protecting prices for farmers, state measures to improve the structure of agriculture (larger and more effective farms). The object is to raise the average income of the farming population without resort to high long-term protective tariffs to shield agriculture from foreign competition, as has hitherto been the case.

ii. The Interests of Agriculture in Higher Market Prices.

In some countries, and also internationally, farmers as a professional group strive to obtain the highest possible prices for their products. The demand for certain agricultural products is not very sensitive to alterations in prices, while for others the elasticity of demand is greater. This must naturally be taken into consideration by farmers in their endeavours to influence the prices of the supply of agricultural products in order to obtain the highest possible prices. They must also pay attention to the fact that exceptionally high prices (and profits) may cause increased production, with a consequent decline in price levels. Associations of farmers in the different countries are engaged with problems of this kind, and sometimes have direct negotiations with state authorities and representatives of the consumers on the fixing of prices. On the international level, too, discussion and collaboration take place between the national associations of farmers. Much of the work of the International Federation of Agricultural Producers is devoted to these problems. A clear distinction should be made between these general problems, which affect farmers in their capacity as professional workers and income receivers, on the one hand, and the collaboration of farmers nationally and internationally in their capacity as agricultural co-operators on the other. The significance of structural changes to farmers as professional workers will not be dealt with in this paper.

iii. The Effect of Structural Changes on Agricultural Co-operation.

If the Special Agricultural Buying Co-operatives, which are in principle very similar to ordinary Consumer Co-operatives, are ignored, the problem mainly concerns the adaptation of Agricultural Marketing Co-operatives to the present situation.

The steady rise in the standard of living also affects consumer demand for goods in the foodstuffs branch. It has been pointed out earlier that with a rise in the standard of living the proportion of the total income spent on food as a rule declines. A rise in the standard of living in the western world usually causes a change-over from cereals to meat, and an increased consumption of vegetables and fruit. As, in some countries, Agricultural Marketing Co-operatives are responsible for between 50 and 100 per cent of the collecting and processing of certain of the most important agricultural products, it is obvious that this change in the demand for foodstuffs must affect the industrial plants for the processing of the raw materials which must be adapted to the alterations in consumption habits.

Another important aspect of the foodstuffs sector is the changeover to more and more finished products which, with the help of modern packaging, requires large-scale factory production. This development towards a greater manufacture of food raw materials, better packaging, more service in connection with the treatment of goods and delivery to the consumers implies that the share of the raw material in the price of the final product will be smaller. This phenomenon has been observed and studied in many countries, and is usually referred to as the "price spread." A detailed study of the factors influencing price spreads of food

products has recently been made in Canada. (Report of the Royal Commission on Price Spreads of Food Products, September, 1959). This investigation reveals that there is a whole series of factors that contribute towards causing a tendency for the difference between the average price obtained by the farmer for his produce and that paid by the consumer for the finished article to increase successively. Some of these factors have been touched upon in Section IV. In addition to the influence of the rising standard of living on consumer demand, the rise in wage levels in distribution and other service occupations must not be forgotten. Certain changes mentioned earlier, above all, perhaps, deep-freeze techniques, also cause the difference between the total costs of the finished product and those of the original raw materials to increase. A study (in the Canadian report just mentioned) of how large-scale organisation of trade (chain-stores and voluntary chains) affects the total margins of trade in such foods is of particular interest. This analysis seems to reveal that the net profits of certain large chain-stores during the investigation period 1949-58 were on a relatively very high level. The same was true of certain private food product industries. Both Agricultural Co-operation (in some branches) and consumer co-operation are not sufficiently developed in Canada, and the conclusion drawn by the Committee is that increased competition with private trade and private production by co-operative enterprises (both Agricultural and Consumer Co-operatives) is desirable.

In general, of course, it is of great common interest for agricultural and consumer co-operation that the total margin for the collecting, processing and marketing to the consumers of agricultural produce can be reduced by rationalisation to the advantage of both producers and consumers.

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Hitherto in this paper an attempt has been made to explain the influence of certain structural changes within the framework of the existing national economies of the western welfare states, with special reference to the repercussions on consumer co-operation. Certain suggestions about the significance of structural changes to other types of co-operative enterprise have also been made.

Before discussing probable adaptation measures within the Consumers' Co-operative Organisations in the western world, however, it is necessary to widen the perspective beyond national boundaries. In other words, we must take into consideration the changes in the economic organisation of individual countries which will probably be a consequence of the establishment of large common markets for several countries together.

VI. THE ECONOMIC REGIONS AND THE GLOBAL PERSPECTIVE.

At present three large marketing areas are being created in Europe:-

(a) The Six Powers Union.

The so-called six powers market (E.E.C.) implies, as is well known, not only that the contracting countries intend successively to abolish tariffs, quantitative restrictions and other obstacles to trade between them. The E.E.C. is protected by outer tariffs which in principle are to be the same for, and common to, the countries concerned. By this conformity of outer tariff protection, certain countries

which formerly had low tariffs will have to increase them with regard to the outer world, while the contrary will be the case for countries that previously had high protective tariffs but must now reduce them to the common level for the market. The six powers market, however, also embraces far-reaching agreements in economic policy, including agricultural protection, collaboration in investments, certain conformity of social legislation, etc.

(b) The Free Trade Area.

The Free Trade Area (E.F.T.A.), which comprises the so-called Outer Seven, has, as is known, no item in its programme to bring about conformity of protective tariffs with reference to the rest of the world. The E.F.T.A. is aiming at a reduction of tariffs between the participating countries, so far with the exception of agricultural products. It is not the intention of the E.F.T.A. as regards economic policy, etc., to attain such far-reaching conformity as in the case of the E.E.C. When the E.F.T.A. was formed, one of its aims was to endeavour to extend commercial collaboration within the framework of the O.E.E.C. or in other ways to embrace in the first place the "Six," and preferably all the European countries that have hitherto collaborated in the O.E.E.C. At present several O.E.E.C. countries are not yet members of either trading group. Of these Greece is expected to join the "Six" while Iceland will probably attach itself to the "Seven." Finland will no doubt collaborate with the "Seven," too, but will also retain her extensive trading connections with, above all, the Soviet Union.

(c) Comecon.

Some European countries which, in their foreign policies, are closely attached to the Soviet Union, have, under the leadership of the U.S.S.R., formed a separate trading group which is generally known as Comecon.

Figures showing foreign trade and population in European marketing areas are given in Table 6.

Table 6.

Foreign Trade and Marketing Areas.

Country	Population in Mill.*	Total Import 1958 Mill. \$	Total Export 1958 Mill. \$
E.E.C. countries	165.7	22,950	22,740
E.F.T.A. countries	88.0	18,860	16,230
Soviet Union	208.8	4,340	4,190
**Eastern European countries ...	94.8	5,750	5,970

*1958 figures E.E.C. and E.F.T.A. countries; 1959 for Soviet Union; 1957 for Eastern European countries.

**Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland, Rumania.

Source: Statistical Yearbook for Sweden 1959. Table 422.
Economic Bulletin for Europe. Vol.11. No.2.

(d) Other Regions.

It is not unlikely that the formation of these groups in Europe will encourage efforts towards similar regional trade collaboration in other parts of the world. Not long ago the planning of such an economic group began in South America. This is to comprise eight South American States. It would probably be advisable for the new African states that have recently gained their independence, or will soon become independent, to establish regional economic collaboration in order to reduce the risks that will be incurred if each of them acts as a commercially isolated unit.

(e) Collaboration between the Regions.

The advantages of such regional trading groups of countries are obvious in comparison with a situation in which each country in the world is a restricted area as regards commercial policy. In the present world economic situation characterised by a very rapid technological development, the small markets afforded by the smaller independent national states are an anachronism. In so far as trade groupings in different large regions are to be regarded as stages on the road to final economic integration covering the whole world market, the disadvantages of trade grouping in certain areas are not of too great a significance. If, on the other hand, the groups have come to stay and thus cause a permanent division of the world market, the advantages of the removal of trade barriers within each group will, from the point of view of world economy, be much less valuable than if a liberal world commercial policy is achieved by way of these groups in a reasonable period of time. The increase of tariffs by certain countries as a consequence of the creation of new groups may be disadvantageous from the point of view of commercial policy, particularly for the under-developed countries. From this aspect it is important that there seem to be some possibilities of a thorough investigation of the prospects of bringing about economic collaboration between the western European groups and between them and North America.

(f) The Regions and the Structure of the Economy.

The structural transformation of the economy of national markets will be affected in different ways according to the development in the methods for collaboration between the different western European regions and other commercial groups.

Assuming that the E.E.C. and the E.F.T.A. will, unfortunately, for the time being at least, develop parallel to each other without any close collaboration, the economic life of the countries of the E.E.C., on the one hand, and, on the other, those of the E.F.T.A., will enjoy the advantages of a greater market for their export industries only or mostly within each group. The keener competition which certain industries supplying the domestic market in each of the groups must be prepared to meet, as a consequence of the successively reduced protective tariffs, will also occur in the two separate regions. It may be assumed that, in spite of the fact that the combined population in each region is quite considerable (165.7 million in the E.E.C. and 88 million in the E.F.T.A.), the advantages of production in large series and also at the same time difficulties of adaptation owing to increased competition across the boundaries, will be less marked than if the whole of western Europe could combine in one trade unit. What effects could then be anticipated concerning the relocalisation of economic undertakings in larger regions?

This problem is being studied intensively in both the E.E.C. and the E.F.T.A. by leading experts. A detailed analysis of the problem is naturally out of the question here, but in general the following may be advanced —

Within the separate regions the anticipated successive removal of obstacles to trade will be rapidly utilised for the establishment of large industrial undertakings, the production of which is based on the whole market area. It is true, of course, that the lowering of tariffs will, according to present plans, be spread over a number of years, but the economic industrial planning will undoubtedly be based rather soon on an anticipation of the situation that will arise when the obstacles to trade have been completely removed in the respective regions. By this, private industry will obtain considerable advantages in the form of production in large series and thereby lower costs. For co-operation this will mean, especially in the foodstuffs branch, much keener competition from effective production units. By international collaboration between private enterprises — partly in the form of international cartels — competition from large enterprises in one region will also be felt in the other, among other things by the establishment of new subsidiary enterprises. Such enterprises in both the E.E.C. and the E.F.T.A. can be expected to be of interest to large enterprises in North America. In the sphere of distribution (both of foodstuffs and dry goods) a parallel development may be expected. This is particularly true of chain-stores selling groceries, and department store chains. (Many examples of more or less advanced plans and actual establishments are known, but cannot be included here.)

In countries where co-operation so far is organised in small units, this competition will be particularly noticeable. It is difficult at this stage to judge what effect these changes in competition will have on consumer co-operation within the regions affected, but it would be unwise to underrate the possible economic consequences of this situation for the consumer co-operative type of enterprise.

VII. A PROGRAMME OF CO-OPERATIVE ACTION.

The technological and structural changes, which to a greater or smaller degree characterise the national economy of the western welfare states, and which are reinforced by the efforts now being made to attain greater common markets, demand far-reaching action to adapt the co-operative type of enterprise to the changing conditions. In part these actions may be restricted to reformation and effectivisation within the Co-operative Movements in each country. In part this adaptation demands collaboration across national boundaries, regionally and globally between the National Co-operative Movements. When the phrase "adaptation to structural changes" is used, it does not, naturally, mean that co-operation should passively adapt itself to such technological and economic changes as have already become a fait accompli. On the contrary, in order to protect the economic and social interests of its members, co-operative enterprise must try to anticipate the development trends nationally and internationally and, as far as possible, take action earlier than competing private enterprise. In other words, co-operation should seek to influence and lead development in its spheres of activity.

The programme of co-operative action comprises two main types of measures—

The first aims at **A. Methods of increasing the Effectiveness of Co-operative Enterprises**. As already suggested, these measures should be applied nationally within every Co-operative Movement, and internationally, to extend collaboration regionally and globally between National Movements.

The second should be aimed at **B. The Possibilities of Co-operation influencing other Social Institutions**, and affecting general social development in favour of co-operation. In this case, too, some of the necessary measures will be connected with the actions that each Movement must apply nationally. Another part of the programme refers to co-operative action to influence social development undertaken by several national co-operative movements on both a regional and a global basis.

A few points of view of the programme of co-operative action will be presented according to the above order –

A. Measures to increase the Effectiveness of Co-operative Enterprise.

(a) National Measures.

If an attempt is made to draw up a programme of action that is applicable to consumer co-operation in western welfare states, it will be found, quite naturally, that certain parts are not immediately relevant for all countries. There are great dissimilarities between these states both as regards economic and social structure and the extent to which the trends of the structural changes make themselves felt. There are also great differences between them regarding the extent to which Consumers' Co-operative Movements have entered into different spheres of activities, differences in economic strength and organisation. Nevertheless, the problems in most of these states are probably so similar that the following items of a programme of co-operative action are significant.

i. Rationalisation of Shops and Shop Structure.

Economical statistical investigations made by the Co-operative Movements of several countries indicate that economic and technical development requires larger shops, measured in turnover, than have hitherto been usual. This, in combination with the reduction in the density of population in rural areas which the progressing industrialisation and urbanisation is causing in many countries, necessitates the closing of small shops in rural areas. In some cases travelling shops may replace them. If this radical step is not taken, the uneconomic shops will prevent the co-operative societies from protecting the interests of their members in the best possible way. They will also be an encumbrance in competition with chain stores, which generally work with large units in the urban areas. In cases where small shops must be retained, a differentiation of prices between them and the larger and more economical units belonging to the same Society in the urban area may be necessary.

In urban areas, too, a successive conversion to larger and more rational units will be necessary to meet the growing competition of chain-stores. Statistical investigations show that the existence of small shops selling dry goods is not economically justified. The same is true of small grocery shops. With trends towards higher wages costs, the fixed costs of personnel and so on will be far too high in the small shops.

In countries where real wages are still rising rapidly and full employment prevails, experience shows that it is not sufficient to replace small counter service

shops by larger ones. (The expansion of self-service in Europe is shown in Table 7 with some additional facts given by Dr. Henksmeier, Chief of the Institute for Self-Service in Cologne.) A change-over to self-service, or at least to intermediary forms between counter and self-service, is necessary. But there is also a minimum size for self-service shops, which is determined by the fixed costs. The aim should, therefore, be to establish sufficiently large self-service shops.

The development towards a greater frequency of private cars and consequent parking problems for shoppers in centrally situated urban shops also encourages the establishment of supermarkets and shopping centres. A combination of large, so-called grocery and provisions halls with a strictly limited stock of dry goods in everyday demand is a special type of self-service shop which, in many countries, seems to have good prospects of development as far as costs are concerned.

Table 7.

Self-Service Shops.		
	1950	1957
Austria	6	60
Belgium.....	20	148
Denmark	26	623
France	—	663
West Germany	39	3,183
Italy	1	4
Netherlands	9	650
Norway.....	54	1,288
Sweden	217	3,515
Great Britain	600	3,750

"In 1948 there were in Europe about 165 self-service shops—England 130, Sweden 22, Switzerland 5, Norway, the Netherlands, Belgium and Finland, 1 or 2 respectively. Against this modest number the number of 25,000 self-service shops in Europe ten years later, at the end of 1958, must be regarded as an almost revolutionary development. At the end of 1959 there will be 30,000 to 35,000 shops."

"In England, 60 per cent of all self-service shops are co-operative, in Sweden 56 per cent, Norway 36 per cent and Western Germany about 8 per cent."

"In Sweden there is a self-service shop for every 1,800 persons, in Switzerland for every 4,000, in Western Germany for every 5,600, in England and the Netherlands for every 10,000 persons."

Der Verbraucher No. 37, 12th September, 1959.

ii. Rationalisation of the Structure of Societies.

In certain countries there are still, even in towns and other densely populated areas, Co-operative Societies competing with one another. Against the background of the structural changes now taking place, and the increased competition of private chain-stores, the time is past when such internal division can be defended. But population drift within larger geographical areas around large towns, changes in the buying habits of consumers and the influence of motorism cause large towns and the surrounding country to fuse into an economic unit. This development should lead to the amalgamation of Co-operative Societies working in such an area into a rational unit.

The inhabitants of the economic sphere of influence around a large town will tend more and more to buy only food and other goods in everyday use locally, while other, more durable goods, will be purchased in large shops in the middle

of the town. When a town and the surrounding district become an economic unit, it is only natural that a single Consumers' Society is responsible for the sale of all kinds of goods to the consumers within the area. Population statistical and economic geographical investigations can determine with a good degree of certainty what radius such spheres of action should cover. In Holland, a comprehensive plan has been approved by Congress for the amalgamation of the Co-operative Societies into a small number of District Societies. An account of this interesting plan, which is now being realised, will be found in a brief summary in Appendix A. reporting actions towards structural adaptation taken by certain Co-operative Movements. The "Independent Commission's Report" also recommended the amalgamation of Co-operative Societies in Great Britain into larger units and, as shown in the Appendix, a similar concentration is now being carried out in Great Britain under the leadership of the Co-operative Union. In Sweden the National Co-operative Congress in 1960 decided unanimously to approve a long-term programme for the amalgamation of the Retail Societies in fewer units. A reduction from at present about 600 Societies to approximately 100 Societies is envisaged. The situation in certain other Co-operative Movements is also mentioned in the Appendix.

The efforts to create economically effective Societies will necessarily lead to some very large Societies in several countries. Geographically widespread, great Societies will be established side by side with the large Societies that now exist in the capitals and largest provincial towns of most Western European states.

iii. Forms of Integration.

Co-operation will, in some respects, find itself in an unfavourable position in competition with the highly integrated private chain-stores, unless it integrates the different branches of its activities to a far greater extent than at present. Owing to its democratic organisation Co-operation is, and must be, bound by certain social considerations, which are irrelevant to chain-store enterprises.

Integration between Wholesale and Retail Trade.

Wholesale and retail trade are highly integrated in the private chain-stores. A chain-store enterprise can place very large orders with manufacturers for different kinds of goods, and thereby obtain extremely favourable terms. By virtue of the integrated structure of chain-stores, their managers have not only complete control of the buying side, they also decide what stocks shall be carried in the shops, and direct the composition of the stock according to speed of turnover, etc. Further, they can centrally fix selling prices in their shops, organise common advertising, including prices, follow up joint advertising with simultaneous displays of the same goods in all shops and the like. In several of these respects the division of co-operative distribution among an independent wholesale sector and many retail societies, even if there is the best collaboration between them, is economically less effective than the integrated type of enterprise represented by chain-stores. As a result some National Co-operative Movements, as shown in Appendix A, have already begun to apply measures aiming at an integration of co-operative retail and wholesale trade. The steps so far taken are of different kinds, which may be illustrated by examples from Swedish Co-operation, since the rapporteur is most closely acquainted with conditions there.

Within the Swedish Co-operative Movement, a system of district warehouses has been introduced which may be characterised as enterprises, jointly administered by the Co-operative Wholesale Society and the Consumers' Societies within a region. This system of regional warehouses implies in brief the existence of common stocks for all the shops situated within a natural geographical area. The buildings, fixtures and equipment of the warehouses are the property of K.F. The Retail Societies affiliated to a regional warehouse choose a Board of Management for the day to day control of the activities and for contacts with K.F. The member Societies also choose delegates to the General Assembly of the regional warehouse (though this is no legal entity) and auditors.

Within the Swedish Movement a chain of department stores is also being operated as a joint enterprise between the Co-operative Wholesale Society and a number of Co-operative Societies. This organisation may, with the agreement of the Societies concerned, establish new department stores. The activities are financed jointly by K.F. and the local Societies. In order to ensure satisfactory local influence over the activities of such department stores, the members of the Societies in each district choose representatives who together form a so-called department store council.

Integration of Trade and Production.

The same arguments which favour integration between co-operative wholesale and retail trade are also valid for an extension of integration to embrace co-operative production in certain branches. As a rule the private chain-stores, apart from the relatively few cases when they have their own industrial plants, have collaboration with certain private industrial undertakings by way of large-scale buying. Since co-operation, to a relatively great extent, owns food products plants, the co-operative integration should, in some cases, comprise all three sectors (production, wholesale trade and retailing).

(b) International Measures.

Just as private industrial enterprise and private distributive trade (chain-stores) are trying to adapt themselves to the development towards greater markets now going on in Europe, so, too, should consumer co-operation try to find out in what ways greater international collaboration between Co-operative Central Organisations in different countries can better equip co-operative enterprise to meet the new, changed conditions in the market. There are many ways leading to such international collaboration. In the first place, the Co-operative Movements in the regions now being created may establish common buying and producing enterprises. In the second place, specialisation and division of labour may be established between different National Wholesale Societies within the framework, or independent, of such collaboration. In the third place, collaboration may be aimed at augmented foreign trade between Co-operative Central Organisations in the regions in question. Finally closer collaboration may be established within the regions for the exchange of commercial and technical experience. Certain of these forms of collaboration neither can nor should be restricted to co-operation within a single region, but can be established to cover the whole world.

Conditions, however, are somewhat dissimilar for the different types of collaboration between the National Co-operative Movements.

i. International Co-operative Buying Agencies.

There has long been a desire to establish a common buying agency, based on the Rochdale Principles, for the Co-operative Wholesales in the western world. Certain practical attempts have been made, but with little economic success. One regional collaboration of this type, however, has been successful in northern Europe ever since the end of World War I—the Scandinavian Co-operative Wholesale Society (Nordisk Andelsforbund). By the creation of greater markets in Europe, by the establishment of the E.E.C. and the E.F.T.A., the obstacles to trade in the form of different tariff levels will be reduced or removed altogether. Then, for the first time, really favourable economic conditions will prevail for wider economic collaboration between National Co-operative Central Organisations working in the regions covered by the "Six" and the "Seven" respectively.

ii. International Co-operative Production.

The establishment of the E.E.C. and the E.F.T.A. will also create greatly improved conditions for really international productive enterprises on the basis of the Rochdale Principles. The prospects of joint industrial production on a co-operative basis will, in view of the great degree of economic integration assumed by the E.E.C. with regard to the economic life of the countries concerned, be relatively favourable in the "Six," which comprises a much more contiguous geographical area. But in the E.F.T.A. region, too, the mutual reduction of tariffs between the participating countries should provide possibilities for the establishment of jointly owned co-operative industrial enterprises, located in one of the countries in the region. In certain cases, perhaps, a central factory in one country, and one or more subsidiary factories in other countries in the group, would be the most suitable. Within the framework of such collaboration, a certain degree of division of labour and specialisation could easily be established in the industrial undertakings. Quite apart from and independent of this, a certain amount of specialisation should be organised in different countries with more or less the same marketing conditions.

Against the background of the development that may be anticipated in the sphere of industry within the private sectors in the "Six" and "Seven" markets, the most urgent task of consumer co-operative enterprise is to explore the possibilities of suitable forms of collaboration in production. This is particularly true of the Co-operative Movements that now base the greater part of their sales on a home market which, according to international proportions, is very restricted (irrespective of whether it is purely a co-operative market or also includes sales to private enterprise in the country concerned, and in some cases also export). The rapporteur by no means underrates the difficulties which, even if commercial obstacles are removed within the respective regions, a realisation of such collaboration in production will meet, due to, among other things, national divergences in the structure of demand and differences in the organisation and economic importance of the enterprises. The increased competition of the private sector which must be anticipated, should, however, create a strong impetus to surmount the other undoubtedly smaller obstacles that may appear after the removal of the great barriers to trade.

iii. Foreign Trade between National Co-operative Wholesale Societies.

As already suggested, greater foreign trade between the National Co-operative Movements in different countries, above all within the new great markets, is either an alternative or (in my opinion, most preferably) a complement to common buying and production, based on real co-operative principles, which has just been discussed. Some Co-operative Wholesale Societies are already finding it difficult to utilise their production capacity of certain goods effectively. Trade between the Co-operative Movements has already begun, if only on a small scale. It is clear that, with the progressive reduction of obstacles to trade within the two markets, conditions for increased trade between the Co-operative Movements should arise, particularly within these regions.

In the hitherto divided economy, in which the different countries have applied tariffs of varying levels, and other obstacles to trade, practical economic collaboration between the National Co-operative Wholesale Societies has, in the main, had the character of commercial exchange. The prospects of creating jointly owned productive undertakings have been far too uncertain and risky.

It has been rightly pointed out that trade between Co-operative Movements in different countries where one co-operative factory sells to the co-operative buying organisations of another country is not really a co-operative solution to the problem in the true sense of the term. In such transactions, the same methods are applied, in principle, as within private economy which is based on profit. The foreign buyer has no possibility of becoming a shareholder in the co-operative enterprise from which he buys, and cannot, therefore, have the right to influence the enterprise and obtain a fair share of its profits. The progressive reduction of obstacles to trade and the creation of the greater markets will eliminate this difficulty. Conditions are now being created, that never existed before, for the building up of international co-operative enterprises in the real meaning of the term. Thus possibilities are also being developed for co-operation to intervene in branches in which it has hitherto been impossible to establish co-operative industries owing to the fact that the co-operative market was far too small and possibilities of export too uncertain.

A special problem which should not be neglected, but which is only to a limited extent influenced by the establishment of the new great markets, is that of trade between the Consumers' Co-operative Movements in the old industrial countries, and the Agricultural Co-operatives in Europe and other parts of the world. From general co-operative points of view it is of great importance that direct business connections should be encouraged between Farmers' Co-operative Marketing Societies as sellers and Consumer Co-operatives as buyers. (This is naturally also true of buying and selling between the National Consumers' and Farmers' Co-operative Organisations on the national level.)

iv. Exchange of "know-how."

The appearance of the new great markets in Europe in combination with the general economic structural changes has already led to energetic action in the private sectors of trade and production to strengthen and extend the exchange of technical and commercial "know-how" which even earlier took place on quite a large scale. Since World War II, in particular, a similar exchange of experience has also occurred between different National Co-operative Movements, both bilaterally and regionally. Such an exchange of "know-how" has been greatly encouraged by the setting-up of certain Special Committees within the International Co-operative Alliance (Agricultural Committee, Co-operative Wholesale Committee, Co-operative Retail Committee, Co-operative Insurance Committee, etc.). The establishment of new great markets will probably bring to the fore the question of collaboration in the spheres of research and investigation. Still more attention should be paid to these problems by the I.C.A.

B. The Influence of Co-operation on Economic and Social Policy.

The co-operative type of enterprise, as mentioned earlier, is characterised by the economic and social surroundings in which it is active. At the same time, however, Co-operative Organisations, particularly when they have attained great size and economic importance, can influence other social institutions, and also economic and social policies in the widest sense. This reciprocal influence between the general social life and co-operation is perhaps most noticeable to a larger public in the national states. But when certain very important functions in the realm of economic and social policy are no longer only the concern of national governments but also one of the tasks of international organs which modern development has created both within certain regions and globally, the above-mentioned reciprocal influence appears also in international development trends.

The sphere of action in which co-operation has already affected to a certain extent the general social development, and where it can make its influence felt to a greater degree in the future, should, for reasons just given, be dealt with in three sections. A co-operative programme of action should, therefore, include certain measures on the national level, and action of a regional and/or global character. In the following a few aspects of these three main spheres of the influence of co-operative enterprise on general social policy will be dealt with.

(a) Action on the National Level.

Development in the democratic welfare states is characterised by the successive extension of the authority of the state over economic life by a series of actions intended to safeguard general and social interests. State intervention has, to a large degree, taken the form of legislation to provide a general frame within which economic and social activities can develop fairly independently. Examples of such legislation have been given earlier in this paper. In this connection it is sufficient to call attention to three spheres in which co-operation has important interests to protect.

i. Competition on Equal Terms.

Competition on equal terms in questions of taxation and economic policy has been stressed earlier. In some western countries co-operation has been hampered

in relation to competing private enterprise, and in some cases in respect of competing state enterprise – often unintentionally on the part of the state authorities – by taxation and economic legislation. Several examples of this from various countries have been revealed by investigations made by the I.C.A. To take one case as an illustration – In the legislation of some countries, economic associations are granted only restricted rights to function in other municipalities than the one in which they are legally registered. Such a restriction of the possibilities of Co-operative Societies to organise their activity within natural trading areas, irrespective of the administrative divisions, will obviously make it more difficult for co-operation in competition with private chain-stores to take advantage of large-scale organisation. In cases where the co-operative type of enterprise is treated unfairly in relation to competing types of undertakings, it is clear that measures are required on the national level to create more favourable conditions for the development of co-operation.

ii. National Control of Monopolies.

In a number of western welfare states during the inter-war period, and particularly since the end of World War II, legislative measures have been taken whereby increased control of cartels and monopolies by the community has been achieved. In many countries co-operation has worked for such legislation. In so far as legislation protects the interests of the citizens as consumers, and generally safeguards the communal and public interests in increased production and freer competition, such state intervention is a valuable complement to co-operative action in distribution and production. Some western welfare states have no such state control of monopolies, or the control is unsatisfactory from the consumers' point of view. It sometimes happens that state control of monopolies is designed to protect the economic interests of small private enterprises at the expense of consumers and the public. In such cases it is a very urgent task for co-operation to use all means at its disposal to influence the Government and Parliament to establish an up-to-date, effective control of monopolies in order to safeguard consumer and public interests.

iii. Co-operative Support of National Programmes to assist Development Countries.

A third example of the spheres in which co-operation can influence the national economic policy is the question of more effective bilateral support to the development countries. State authorities in several western countries, in addition to their contributions to United Nations action for technical, economic and financial help to development countries, have organised bilateral support for these countries. When such bilateral actions are organised in the individual countries, the Co-operative Movement should make its attitude to them quite clear. Special attention should be paid to the following main points:

In the first place it is important for co-operators to gain representation on the state committee, in the respective countries, responsible for the help to development countries. In the second place, the Co-operative Movements should use all means in their power to influence the programmes for the bilateral assistance so that they include help to co-operative and other popular efforts towards self-help in the development countries. In the third place co-operation should contribute

towards creating a public opinion to encourage Government and Parliament to increase both bilateral and multilateral support to development countries, in the latter case through the U.N. and its Specialised Agencies. In this connection, experience has shown that close collaboration between the Co-operative and Trade Union Movements, and other groups with similar interests, is a way of augmenting the effect of public opinion.

(b) Measures on the Regional Level.

The regional commercial and economic areas now being organised – chiefly in Europe, but also in other parts of the world – are quite different from each other in their internal structure. The internal economic integration within the E.E.C. has made necessary the establishment of a series of organs superior to the state. Within the E.F.T.A., where such thorough integration is not intended, the need for common institutions for the participating countries has so far been less marked and the organs of collaboration that have been created have been given less extensive functions than in the E.E.C. In spite of this difference, there should be some similarity between the programmes of action which the Co-operative Movements should attempt to realise in the commercial regions. A few examples will illustrate this.

i. Co-operative Influence on the Economic Policies of the Regions.

It is very necessary for co-operation to be represented, together with civil servants and representatives of private enterprise, in institutions and organs of collaboration that are now being established on a regional basis. The Movements in the E.E.C. countries have already begun working together not only to safeguard the possibilities of co-operative representation in the organs of collaboration, but also to try to influence the drawing-up of the programme for the harmonisation of the commercial, economic and social policies that is typical of the work of the E.E.C. In the same way, but to a smaller degree, collaboration has been started between the Co-operative Movements in the E.F.T.A. countries with a view to protecting the interests of co-operation and the consumers. It would be of advantage if this regional collaboration between the Co-operative Movements with the objectives mentioned could be further extended, and contacts could be maintained between the Co-operative Movements in the two groups of countries.

ii. Regional and Global Trading Policies.

As regards the fashioning of the general policy within the new regions, it is natural for co-operators in the countries concerned to work for the realisation of certain objectives that are common to all co-operative action. A prime objective is the continued liberalisation of foreign trade. (The important but complicated problem of protection for agriculture, particularly in the western European countries, will be ignored in this connection.) The desired liberalisation of foreign trade implies, naturally, not only the successive removal of barriers to trade between countries within every region – which is important in itself – but it is also necessary to ensure that the average tariff boundary that is to be raised round the “Six” will be as low as possible in order to encourage trade between the “Six” and the rest of the world. The Co-operative Movements in the countries belonging to the “Seven” must each see that the tariff level in their own national market in relation to countries outside the E.F.T.A. group will be as low as possible in order

to encourage international trade in general. It is obvious that otherwise risks will arise that the countries in the new groups within each region will grant each other commercial advantages and preferences while trade with outside countries will suffer.

There is, unfortunately, much evidence that the ideal expressed in the Havana Charter cannot possibly be realised at once. If this judgment is correct – i.e., that a very extensive, practically global, liberalisation of foreign trade cannot be achieved at once – it will be all the more necessary to bear in mind the aspects just mentioned when the commercial policy of the new regions is being laid down. Co-operation in the regions in question must endeavour seriously to extend the areas of the markets. From a practical point of view there seem to be prospects that an amalgamation or co-ordination of the “ Six ” and the “ Seven ” in Europe, preferably in collaboration with North America, should occur first. Another desirable end is that the third group in Europe, Comecon, will gradually attain more extensive commercial relations with the rest of Europe.

iii. Trade of the Regions with the Development Countries.

In the commercial negotiations now taking place in both the E.E.C. and the E.F.T.A., partly in collaboration with North America, increased attention is being paid to the question of how European collaboration will affect commercial relations with the development countries. It is of the utmost importance that the Co-operative Movements engage themselves energetically in this question so that, in the planning of regional collaboration in Europe, the development countries will not be subjected to the effects of economically unfavourable commercial policies. A rapidly expanding foreign trade between Europe and the development countries is of the greatest necessity. Efforts should, therefore, be directed towards at least liberalising to the greatest possible degree imports from the development countries. At the same time it is natural that the development countries, during a period of transition, will be allowed to protect their own growing industries by imposing tariffs. Such a commercial policy on the part of the western states will be of prime importance to the economy of the development countries.

iv. Co-ordinated Economic Expansion.

A necessary condition if such a liberal commercial policy is to be applied successfully by the western world in dealings with the development countries is that the western industrial countries can continue an economic expansion policy based on full employment. It is easy to understand how important this condition is. A liberal import policy in the western world in favour of the development countries will undoubtedly be attended by difficulties for certain European home market industries owing to greater competition from the development countries. Such difficulties may, in some cases, make necessary a reduction or cessation of some kinds of production in the western world. By continued industrialisation and a rising standard of living in the development countries, however, the western industrial countries will be compensated by the increased possibilities of exporting to them machines and other products needed for the industrialisation. The consequence for western industrial countries, however, will be that extensive structural adaptations will be necessary (reduction and closing down of certain industries, balanced by expansion in other branches). Naturally, such structural changes can

hardly be made if they cause great permanent unemployment in important industrial undertakings in the western world. On the other hand, if the western world can pursue an effective co-ordinated expansion policy which, except for temporary unemployment, keeps up full employment, it will be possible to carry through this structural adaptation without general unfavourable effects – on the contrary, it will contribute towards a more rapid rise in the standard of living in the western industrial countries themselves. From this aspect it is extremely important that Co-operation, as is already the case with the Trade Union Movement in many countries, works energetically in the European common market regions and globally to encourage such co-ordinated full employment policies.

v. Regional Control of Monopolies.

In both the E.E.C. and the E.F.T.A. great attention has been paid to the problem of creating at regional level an extension of the national control of monopolies, which now exists in most of the countries belonging to the regional groups. The aim of such regional control of monopolies is, naturally, to try to prevent the mutual reduction of trade restrictions between the countries concerned being neutralised by international cartels and other international combinations. Such monopolistic practices, e.g., with the help of contracts to divide the market, might reduce or even nullify many of the advantages that can be gained by the removal of trade barriers. It is, therefore, extremely important that regional control of monopolies which, according to the plans, is to be created in both the E.E.C. and the E.F.T.A. will really be effective so that international monopolistic practices will not hamper international trade in the countries concerned. An urgent task of co-operation in countries in the E.E.C. and the E.F.T.A. is to hasten the development of the regional control of monopolies.

(c) Global Action.

Technological and economic development during the present century, especially since the two World Wars, has created the conditions required for a common world market. The ability of modern means of communication to change radically our opinions of the significance of distances has not, unfortunately, been accompanied by a sufficiently widespread knowledge that economic nationalism is now a closed chapter in the history of mankind. However, the endeavours made in certain regions at least to reduce the effects of the elements retarding economic progress have met with some success. The economic risks to which a new division of the world market may give rise must not be underrated, however. As regards the creation of all-embracing international collaboration, the United Nations and its Specialised Agencies are available as instruments for a global policy in the real meaning of the term. The International Co-operative Alliance enjoys Category A Status in the U.N. and in the most important of its Specialised Agencies. This improves the prospects of the work of co-operation on a global plane for the principles professed by co-operators regarding the forms of international collaboration in the economic and social spheres.

Collaboration between the I.C.A. and other World Organisations.

Experience from post-war years, however, shows that representations to the United Nations and its Specialised Agencies on matters of prime importance to

world co-operation, in spite of the fact that they are based on well-documented evidence, have not been given the consideration they deserve. With this in mind it may be worth while contemplating whether or not the I.C.A., when making certain representations, should to a greater extent than hitherto seek contact with other popular international associations which, in essential points, have aims similar to those of International Co-operation. The organisation that first comes to mind is, naturally, the International Confederation of Free Trade Unions. The interests of the I.C.F.T.U. in a number of world economic questions are so similar to those of the I.C.A. that collaboration in representations to the U.N. and its Agencies seems quite natural. The same is true of a possible collaboration between the I.C.A. and the I.F.A.P. Particularly with regard to questions concerning the co-operative type of enterprise as such, collaboration with the I.F.A.P. is suitable; this has recently been realised to a certain extent by a special agreement. Collaboration on a global plane between the I.C.A. and the International Chamber of Commerce is possible and appropriate in certain respects. Contacts between these two world-wide organisations should be especially fruitful in questions concerning efforts to encourage a freer international commercial policy. To a certain extent contacts between them may also be of value for a purely technical exchange of experience in, primarily, the sphere of distribution, even if the ideological foundations of the two International Organisations* are very different. An extended collaboration between the I.C.A. and the other world organisations just mentioned is a practical proposition, *inter alia*, because they all enjoy Category A Status with the U.N. and its Specialised Agencies.

World Economic Aspects.

The general orientation of world economy, which the International Co-operative Movement by its influence in the United Nations and its Agencies should strive to realise, is, in accordance with earlier I.C.A. Congresses, mainly as follows:

A successive liberalisation of international trade embracing all the countries in the world, is an essential objective for co-operative opinions. The great common markets are acceptable because they, in any case, cause a regional reduction of trade barriers, in spite of the fact that they may also be attended by grave disadvantages. But these regional groups are acceptable only in so far as they form stages on the road to what must be the ultimate goal: a world-embracing, greater and freer commercial exchange. For the I.C.A. it must always be a fundamental task to work in all possible contexts in the U.N. and its Agencies for a wider and more powerful opinion with this aim in view.

One item of the programme of action of the Alliance according to the most recent Congress decision is, no doubt, the most important of all its tasks - To Promote Co-operation in the Development Countries. This problem, to which the present Congress will also devote much attention, will not be dealt with in this paper. For the I.C.A. as a World-Wide Organisation, however, it is of prime importance to strive for increased multilateral support through the United Nations and its Agencies to further the economy of the development countries. This should be done - not only by forming opinion for freer international trade - through actions in the U.N. in favour of augmented multilateral technical aid to

development countries, insistence on their being granted long-term credits, and energetic demands for the establishment of international control of monopolies and the drawing-up of price-stabilising agreements for raw materials. By these concerted actions the terms of trade between the old industrial countries and the development countries would be influenced considerably in favour of the development countries. These measures form, indeed, an ambitious international economic programme for our Alliance. For the development countries this programme is of such fundamental significance that the Alliance should, with all means in its power, strive in the U.N. and its Agencies for its rapid and effective realisation.

VIII. DEMOCRACY AND ECONOMIC EFFECTIVITY.

The structural changes in the economy and markets outlined earlier, bring co-operation, in its capacity as a popular democratic movement, face to face with new problems. This paper has tried to show that the structural developments make it necessary for co-operation to work with larger units than formerly. The days of the small Co-operative Societies and the small shops are gone. Adaptation by consumer co-operation to the new conditions demands that larger and more mechanised shops than hitherto must be provided, that the new demand aimed at different kinds of dry goods and especially durables must, to a much greater extent, be supplied by centrally organised department store chains, and that the Societies cover wider geographical areas, and thus function as larger units than formerly.

These changes are inspired by the desire to make co-operative enterprise as efficient an instrument as possible in the service of the members. There can hardly be two opinions about the necessity of pursuing such a policy, for it is obvious that if co-operation does not function at least as efficiently as competing enterprises, the inevitable consequence in the long run will be a decline of the Co-operative Movement.

It is equally clear that the small Co-operative Societies, working within a strictly limited sphere of action, and with a relatively small number of members, are comparatively easy to survey and control. The organisation of an effective control by the members involves no difficulties. The problem is different in the large Societies whose activities cover very wide spheres and whose members number tens of thousands. These problems can be solved technically and without much difficulty by applying democratic methods of representation. But there is no doubt that the large Societies are more complicated, especially if, as a link in the necessary effectivisation, forms of integration of the type suggested earlier, by which intimate connection between co-operative retail and wholesale trade is achieved, are applied.

The problem of the influence of the members in the modern Co-operative Movement has been the subject of thorough discussion in many countries, and the question of the interest of the members has been given the greatest attention. The growing passiveness of members of large Societies has been stressed, and the question has been raised as to whether it is not necessary, in view of the interest of the members, to preserve the small-scale Societies.

The natural reply seems to be that the type of enterprise must be determined by the demands of efficiency. If co-operation were to lag behind in efficiency, the problem of members' interests would be solved gradually in a simple way: there would be no Co-operative Societies left over which the members could exercise an influence.

From that viewpoint the solution of the problem of the control of the members has three aspects -

(a) Such democratic forms must be found as allow, in every section of co-operative activities, an effective influence by the members and/or their elected representatives.

(b) Co-operative action must be so effective and so energetic that it can continuously hold the attention and interest of consumers and producers. For this reason it is important for consumer co-operation that the Movement actively protects the interests of consumers also in new spheres which structural development has brought to the fore, and which have been touched upon earlier in this paper. In other words, co-operation must keep up with the times and thereby continuously create the conditions to arouse the interest, especially of the younger generation, in its aims.

(c) Co-operative information and propaganda must also be adapted to the new conditions. Not least important is to awaken the interest of young people and new families in the great advantages offered by co-operation. This is important, because in modern welfare states we no longer have the drastic examples of the necessity of co-operation which social need and economic injustice provided. For that reason, much greater demands are made on modern co-operative information services. In this connection it must be stressed that it is very important for co-operation to be actively engaged in forward-looking cultural activities. The modern commercialised amusements industry has many elements that tempt people to fly from reality to a mechanical killing of time. One of the great tasks of cultural work in such times is to activate people, to make them conscious of the great, burning problems of the day. All such action serves the interests of the popular movements, for they, like all living democracy, must be based on actively conscious members and citizens.

Co-operative information services must, finally, widen their scope. They must not devote themselves exclusively to purely co-operative problems. They must be planned in the consciousness that co-operation is an international movement. Consumer co-operation - if we take that as an example - is fighting for a great ideal, which can still captivate the minds of people, the ideal of social justice in a world without boundaries.

IX. THE REALISATION OF THE CO-OPERATIVE PROGRAMME OF ACTION.

The principal items in a programme of co-operative action, which have earlier been outlined⁸ from the angle of actions on the national level, must depend entirely, naturally, on the National Movements concerned. As regards regional action, the realisation of the programme will depend mainly on what initiatives the National Co-operative Organisations in each region are prepared to take.

It is obvious, however, that both nationally and regionally, the International Co-operative Alliance can play a very important role in the realisation of a programme of co-operative action. The Alliance should contribute primarily through its Auxiliary Committees for special tasks. In so far as Congress approves the resolution in which certain main items of the proposed programme are included, the different elements of this programme should be referred to the Auxiliary Committees of the Alliance for further study and implementation by concrete proposals. The structural problems of retail and wholesale trade and the problems of integration brought into the foreground by modern developments should, therefore, be studied jointly by the Co-operative Wholesale Committee and the Co-operative Retail Committee. Investigations of this type have already been commenced in these Committees separately. The special structural problems with which Agricultural Co-operation is faced should, in the same way, be studied in the Agricultural Committee. There is also an Auxiliary Committee for Co-operative Insurance. The multilateral and bilateral aspects of aid to the development countries should be the province of the Technical Assistance Sub-Committee, etc.

Regarding measures to be taken to realise the programme of co-operative action on a global level, the Executive Committee and the Secretariat of the Alliance should be given general authority to assert, as hitherto, the international economic recommendations of the Alliance in all suitable connections in the U.N. and its Agencies. Such activity on the part of the Alliance and its Auxiliary Committees, however, requires a considerable augmentation of the present personnel and financial resources.

X. CONCLUDING REMARKS.

The views, presented here, of the aims and methods of co-operation against the background of current economic and social changes cannot be complete unless the question of peace is considered. A peace which not only, as at present, is based mainly on a so-called balance of terror between a few great powers, but which has its roots in real international understanding is, in the long run, the fundamental condition for the realisation of a programme of co-operative action in a progressive spirit. It is, therefore, only natural that at every International Co-operative Congress, appeals and recommendations in the form of Peace Resolutions have been approved and presented to those wielding the political power in the world. The possibilities even of a World-Wide Organisation like the International Co-operative Alliance inducing the political leaders in the world to negotiate agreements in the interests of peace are necessarily very restricted. Co-operation can, however, by mustering all the large groups of citizens, and by collaborating across national boundaries, regardless of differences in political and religious questions, and of racial differences, make a constructive contribution towards lasting peace. Co-operation can, by its activities, contribute towards creating the economic and social equality, and the will to peaceful collaboration between all countries and peoples which are, in the long run, the only reliable and durable conditions for permanent peace - that is Peace based upon International Understanding.

RESOLUTION

The 21st Congress of the International Co-operative Alliance -

having regard to the rapid progress of technological and applied science today and its effects upon the structure of economic enterprise;

also the widespread acceptance of the welfare and prosperity of all as the true object of economic activity;

and recognising the necessity of adapting the activity and objectives of the Co-operative Movement to the changes now taking place with a view to employ all resources in materials and personnel in such a way as to ensure their most effective utilisation -

Recommends the Affiliated Members of the I.C.A. -

to co-ordinate the activities of their organisations at all levels so as to obtain the maximum of efficiency in the fields of production, distribution and finance;

to utilise co-operative resources and methods in all countries to the fullest possible extent, by expanding the activities and thereby increasing the influence of the National Co-operative Movements, by the rapid promotion of increased international co-operative trade, including trade with developing countries, and in all possible ways to combat and overcome the monopolistic exploitation of labour and materials;

to take advantage of every opportunity of promoting international enterprises jointly owned and operated on co-operative principles;

to apply throughout this process of adaptation, the fundamental principle of democratic control by providing the maximum of opportunities for the active participation of the members;

to exert all their influence upon economic policy, legislation and social development so as to secure to the Co-operative Movement freedom of action and expansion and the application of the co-operative idea to economic and social problems.

The Congress -

Instructs the Central Committee to support, through the I.C.A.'s Auxiliary Committees and the expansion of its own services, the efforts of the affiliated Organisations to implement these recommendations; and

since the necessary adaptation to social, technological and economic development cannot be fully attained without co-ordinated international action -

Urges the Central Committee to take the initiative in promoting closer contact with the United Nations Organisation and its Specialised Agencies, as well as with other International Non-Governmental Organisations having similar aims to those of the I.C.A., with a view to united efforts to liberalise trade, and to develop unused economic resources to the betterment of living standards throughout the world.

Appendix A.

Development Trends in Consumer Co-operation in Certain Countries. Summary of Replies to Questionnaire.

As will have been gathered from earlier parts of this Paper, the author has been helped by replies to a questionnaire sent to Organisations affiliated to the I.C.A. Since these replies were very detailed, they are greatly abbreviated here. The summary is in the same order as the headings of the questionnaire.

Replies were received from Belgium, *Société Générale Coopérative*; Co-operative Union of Canada; Denmark, *Faellesforeningen for Danmarks Brugsforeninger*; Finland, *Suomen Osuuskauppojen Keskuskunta* and *Kulutussuuskuntien Keskusliitto*; Sweden, *Kooperativa Förbundet*; Great Britain, Co-operative Union; the Netherlands, *Co-op Nederland*; Western Germany, *Zentralverband deutscher Konsumgenossenschaften*; Italy, *Lega Nazionale delle Cooperative e Mutue*; Yugoslavia, *Glavni Zadružni Savez FNRJ*; Soviet Union, *Centrosoyus*; Czechoslovakia, *Ustredni Rada Druzstev*; Bulgaria, *Union Centrale Coopérative*.

In the last four countries, which have a communist economic organisation, Consumer Co-operation occupies a position differing in many respects from that in the other countries. Neither is it identical in the four countries. Co-operation in Yugoslavia is almost entirely devoted to production. Consumer Co-operation in the Soviet Union and Czechoslovakia is restricted mainly to rural areas and small towns, while in the large towns distribution is the task of state-owned chain stores. Bulgarian Co-operation, on the other hand, covers the whole country as regards retail trade, but wholesale trade and production are in the hands of state-owned enterprises. This should be borne in mind when studying the replies to the questionnaire.

Otherwise, development trends are much the same in all the countries and differences seem to be due chiefly to the degree of industrialisation and urbanisation.

Types of Shops.

General Trends of Development.

In all countries, there is a tendency towards larger retail units, in which endeavours are being made to apply labour-saving methods. The development in Sweden is illustrated by the following table -

Year	Number of Shops		Shops with less than Sw. Crs. 200,000 turnover
	Self-Service	Counter-Service	
1949	59	7,037	No data
1954	1,140	5,889	1,820
1959	2,647	3,275	1,040

The following data from Denmark show clearly the rôle of towns and agglomerations in this development -

	Self-Service Shops		Turnover	
	Number	% of all shops	Million D. Crs.	% of total
1953	59	3	60	7
1958	222	10	222	22
1958				
Copenhagen	62	26	115	56
Other towns	127	49	89	59
Rural Areas	33	2	18	3

In Great Britain the official view of the Co-operative Union is that Societies should concentrate their trade in foodstuffs and open shops of the supermarket type. This type of shop, which in 1950 was practically unknown to British Co-operation, was represented in 1960 by about 300 shops. Similar tendencies are present in the Netherlands and Western Germany, where new self-service shops are being established and old shops reorganised according to the following programme -

(a) Counter-service and bargain-trade shops are being converted into self-service shops.

(b) In connection with this, possible removal to better business sites.

(c) Extension of assortment of goods (preferably with fresh goods).

(d) Closing unprofitable shops.

The change-over to self-service shops has been restricted in Finland and Italy, and has been most marked in large towns. In Finland the small shops that have been closed have been replaced by mobile units (buses) and mail order sales. Development in the Soviet Union has been characterised by extensive new constructions since the war. Thus, within Centrosoyus, 100,000 shops have been built; of rural and provincial department stores 80 per cent are new, of special shops (for agricultural produce in towns) 50 per cent, and of rural shops 33 per cent. According to a seven-year plan, 60,000 new shops are to be built, of which 20,000 will be rural department stores. Modern methods of work are being developed simultaneously. Thus, 2,000 shops are self-service shops, 5,000 apply the self-choice principle, and 8,000 are without selling staff. In addition, "sample-selling," mail order and delivery service sales exist. Self-service and self-choice methods are not applied to any great extent in Czechoslovakia, but within five years they will be introduced into 50 per cent of all shops. In Bulgaria the Societies have just begun to open self-service shops.

In countries where co-operative trade in special goods exists in large towns, centrally situated department stores are becoming of increasing importance.

Differences in Costs.

Several countries report significant differences in costs between large and small counter-service shops.

Information was given from Sweden on a selection of combined counter-service shops (with complete assortment of foodstuffs) in 1958. Shops with a turnover of Sw. crs. 100,000 to 199,000 had wage costs approximately 2 per cent (of turnover) higher than shops with a turnover of Sw. crs. 600,000 to 799,000.

From Finland, S.O.K., the following costs have been reported for 1958 -

Turnover Mill. Fmk.	Costs in % of turnover in	
	Towns	Rural Areas
Under 10	12.8	16.3
Between 10 and 20	11.2	14.0
20 and over	10.2	12.5

Similar experiences were reported by K.K., Finland, the Netherlands and Italy.

The following data from Denmark shows costs in counter-service and self-service grocery shops -

	Counter-Service			Self-Service		
	Turnover in Mill. D. Crs.					
	under 0.5	0.5-1	over 1	under 0.5	0.5-1	over 1
Number of shops	39	30	18	29	47	27
Turnover per shop - 1,000 crs.	338	727	1,323	372	752	1,345
Costs in % of Turnover -						
Wages	8.4	7.4	6.9	8.0	7.1	6.3
Packing	0.6	0.5	0.4	0.7	0.6	0.5
Transport	1.0	1.3	1.1	0.8	0.9	0.9
Rent and fittings	1.5	0.8	0.6	2.6	1.5	0.8
Other Costs	1.1	1.1	0.8	0.8	1.0	1.0
Total Costs	12.6	11.1	9.8	12.9	11.1	9.5

Great Britain - data is available on wages costs in percentage of turnover in co-operative shops and private chain shops, both counter-service and self-service -

Turnover (£1,000)	Wages Costs in % of Turnover			
	Counter-Service		Self-Service	
	Co-operative	Chain	Co-operative	Chain
Under 10	9.2	10.0	9.2	11.3
10 to 25	7.5	8.5	7.5	8.1
25 to 50	7.2	7.7	6.8	6.8
50 to 100	6.8	7.3	6.4	6.1
100 and over	6.3	7.1	6.2	6.2

Source: 1957 Census of Distribution.

Sweden reported the following wages costs in self-service shops for 1958 -

Turnover 1,000 Sw. crs.	Wages costs in % of turnover
Between 100 and 199	10.3
„ 400 and 599	8.1
„ 1,000 and 1,499	7.5

Trends similar to those in Denmark were reported by Finland, K.K., the Netherlands, and Western Germany. The German reply stressed, however, that while personnel costs were lower in the large self-service shops than in small ones, such items as rent, energy and depreciation were higher. The lower personnel costs are most important.

The reply from the Soviet Union stated that when a counter-service shop was converted into a self-service shop, the turnover increased by 20 to 22 per cent without adding to the staff.

A comparison between self-service and counter-service shops shows that costs are consistently lower in large self-service shops than in comparable counter-service shops. There is little or no difference in the small shops. The reply from the Netherlands states that costs are higher in small self-service shops than in counter-service shops, while Finland, K.K., reports the difference to be insignificant. On the other hand, information from Sweden shows that the differences in costs are in the region of 2 per cent of turnover, and in Great Britain they are 1 per cent. In the reply from Belgium, it is said that in self-service shops costs are not much lower than in service shops; possibly this is due to the fact that the self-service shops are not big enough and in some cases are not well located.

No country reported differentiated prices as a consequence of differences in costs between self-service and counter-service shops. In Sweden, however, there are special shops with a limited assortment of factory-packed goods, where consumers are allowed a discount of 10 per cent on ordinary prices on purchases above a certain sum. In Finland, reductions are occasionally allowed on purchases of factory-packed goods, and in Italy monthly deliveries are at prices from 3 to 6 per cent lower than in shops.

Structure of Societies.

Programme for Amalgamation.

Although most countries report tendencies towards the amalgamation of small societies into large ones, only three, the Netherlands, Sweden and the Soviet Union, have programmes or resolutions on which this development is based. Great Britain and Western Germany are investigating this problem.

The most far-reaching programme is that of the Netherlands. According to a resolution passed by the Congress of 1959, the number of Societies will be reduced during a three-year period from 230 to about 20 District Societies. Each District Society will be represented on the Board of the District Societies by two members. To ensure a uniform policy this Board will have extensive powers and can, with a three-quarters majority, give binding instructions to the Societies as regards - general development of the Movement, depreciation and funds, dividends, administrative and statistical methods, recruitment and training of staff, purchase of goods and the utilisation of the services provided by the Central Organisation, general policy of sales promotion, stocks, prices, advertising and the organisation of buying.

In Sweden the 1960 Congress of K.F. took a unanimous decision to the effect that the number of local Societies should be reduced. It is intended that the range of activity of Societies should be adapted to the consumers' buying regions. In the investigation on which the Congress resolution was based, the number of

buying regions is estimated at about 100. The present number of Consumers' Societies is 638 (end of 1959). Of course, the realisation of the proposal is dependent on the decisions by the local Societies.

In 1958 the Soviet Union Co-operative Congress, and in 1960 the Council of Centrosoyus, passed a resolution that Co-operative Organisations shall strive to improve the Movement by the amalgamation of such small organisations and enterprises as lack the economic conditions required for further development.

Trends of Amalgamation.

All the organisations that replied to the questionnaire report tendencies towards amalgamation.

Strong tendencies are reported by the Netherlands, Sweden, Soviet Union, Bulgaria, and Western Germany. In Great Britain for the past few years, approximately 30 successful fusions have been effected each year. In Sweden, the reduction in the number of Societies by amalgamation was 5 in 1957, 10 in 1958, and 25 in 1959. In 1960-61 about 70 amalgamations will take place according to decisions already taken by the local Societies concerned. The Soviet Union reported the following changes in the number of local Societies and District Organisations:

	1948	1954	1958	1960
Local Societies	28,489	23,240	19,247	18,063
District Organisations	3,676	3,574	3,132	2,846

In Bulgaria, the number of local Societies decreased from 3,736 in 1951 to 1,799 in 1959, and in Western Germany, 48 small Societies have become affiliated to larger ones, 15 during 1958-1959.

Arguments in favour of Amalgamation.

Different arguments in favour of amalgamation are advanced for the Movements in which amalgamation has taken place. A common feature is that an important advantage of large Societies is a more highly qualified management and a more efficient administration. Otherwise it is stated that advantages may be gained by rationalisation (primarily stocks and transport), possibilities of more advantageous purchases, better balanced capital resources, also better opportunities of staff training, and better personnel policy.

Support to Weak Societies.

As a rule no special organisations exist for the support of weak Societies that run into difficulties. Only in Sweden is there a special organisation (Svenska hushållsföreningen). The Societies needing support join this Organisation, which takes over the administration. The necessary organisational and economic measures (e.g., the re-organisation of investments and stocks) are taken. The costs of these measures are regarded basically as a loan to the Society; when the loan is repaid and the Society functions normally it leaves the SHF.

From Finland, S.O.K. and K.K., Great Britain and Western Germany, it is reported that, whenever necessary, the Central Organisations intervene in support of weak Societies. In Great Britain the present tendency is to solve the problem by amalgamation, or in England and Wales to refer it to Co-operative Retail Services, Ltd., and in Scotland to the S.C.W.S. Retail Trading Section. In Western Germany, Zentralverband has a special advisory section.

Co-operative Integration.

Integration between Wholesale and Retail Trade.

In some countries, integration between wholesale and retail trade in the food-stuffs section seems to have begun primarily by part of the stocks of the Societies being taken over by the Central Organisation. A system of central warehouses has been developed in Sweden. This implies that regional warehouses (38 central warehouses, 3 special centres for frozen goods, and 2 special fruit and vegetable centres) serve practically all Societies. The warehouse buildings and equipment are owned by K.F., but each warehouse is administered by a Committee elected by the Societies affiliated to the central warehouse. This system has made possible considerable savings in the form of lower handling costs and a reduction of stocks, together with a better assortment of goods. In the Soviet Union wholesale trade is administered by regional or "republican" organisations of local Retail Societies. A board consisting of representatives of the Societies served by the central wholesale warehouses manages each central warehouse.

Wholesale distribution in Denmark is passing through a great transformation phase. Of the existing 16 wholesale warehouses, 15 are to be closed and replaced by 7 new ones, and integration may be said to take place by the standardisation of orders and transports.

Integration between wholesale and retail trade seems to be somewhat greater in the dry goods section, where the establishment of chains of department stores and special shops is realised by the central organisation or special enterprises founded for this purpose. In Sweden a development of the chain of department stores is proceeding by means of Varuhusföreningen (Department Store Society) Domus, of which Societies owning department stores are members, and which is wholly responsible for the running and administration of the stores. The Department Store Society, together with certain large Societies owning department stores, not members of Varuhusföreningen, belong to Kooperationens Varuhusorganisation, which works for the co-ordination of statistics, grouping of goods, assortment of goods, buying, certain common advertising, recruitment and training of staff. The two Central Organisations in Finland both have chains of shops for dry goods, and S.O.K., which has large department stores at Helsingfors and Abo, is planning a chain of department stores.

In Denmark there is an organisation of F.D.B. and local Societies, Varuhusföreningen, founded in 1957, which runs department stores also textile and footwear shops. There are also some large department stores established by F.D.B. and a small group of local Societies. In Great Britain, S.C.W.S. has contracts with a number of Societies, which means that S.C.W.S. supplies and controls goods of certain special shops and also provides them with window-dressing and advertising material. It also supplies the fittings for footwear shops. In accordance with the decision of the 1960 Congress Co-operative Chain Stores for dry goods will be organised, beginning in the footwear branch. In the Soviet Union district department stores and large special department stores are run by district associations of local societies.

Integration in Production.

Tendencies towards integration in the sphere of production are not of any great significance. In Sweden part of the meat processing and bakeries have been concentrated into large units owned by K.F., and in Great Britain, C.W.S. has taken over bakeries in England and Wales. In Belgium, S.G.C. endeavours to induce Societies with less good production plants to close them down and to buy from neighbouring Societies equipped with better plants.

Collective and Standing Orders in Wholesale Trade.

In several countries steps have been taken to make possible collective orders to manufacturers and thereby obtain lower prices. In Sweden collective and standing orders occur particularly in the dry goods section. Experience in Great Britain of national selection panels and regional buying groups has not been very encouraging; instead co-operative producers are recommended to open discussions to achieve specialisation and larger or standing orders. In Finland the purchases made by OTK for its chain of special shops imply a kind of collective buying, which has also occurred for artificial fertilisers, agricultural and household machines, and building materials. In the Soviet Union the local societies make annual contracts with the central warehouses. The contract contains data on the total volume of goods, a specification of goods required and terms of delivery.

Other Methods of Rationalisation.

Among other measures aimed at increasing efficiency, several Organisations mention steps taken in the spheres of advertising, book-keeping and statistics. Common advertising is mentioned in Canada, Sweden, Finland, Denmark, the Netherlands and Western Germany. In some cases it is financed by the Central Organisation and the local Societies together. It may also be organised by the central bodies making proposals and supplying matrices. Posters, placards and window-dressing material are also supplied to local societies.

Steps have been taken in several countries to standardise book-keeping and statistics. There is a book-keeping service in Canada, and in Denmark advice is given regarding costs control, statistics and book-keeping, etc. Sweden, the Netherlands and Western Germany report uniform plans for book-keeping and statistics.

It may also be mentioned that Denmark has a special guarantee and wages fund for the financing of Societies; that in Great Britain there is a special "TV maintenance pool scheme" in which the local societies can insure themselves against the maintenance costs of TV sets that are hired out.

Hire Purchase and Credit Trade.

Owing to the fact that consumer capital goods have begun to occupy a greater part of the budget of consumers, hire purchase and similar buying have become of current interest to the Co-operative Movements. Credit trade is reported from Canada, Sweden, Finland, K.K., Denmark, the Netherlands, Western Germany

and Great Britain. In Sweden, and to a certain extent in Finland, purchases are financed by the buyer taking a loan in a savings' bank with help from the Co-operative Society, with which the bank has a special agreement. In Great Britain TV sets are hired out, and in the Soviet Union the same applies to washing machines, gramophones, sewing-machines, vacuum cleaners, separators, gardening and agricultural implements and other household articles.

Democracy and Change of Structure.

Since changes in the structure of the different Movements take place comparatively slowly, and the Movements in which amalgamation of Societies is planned on a large scale already have experience of the organisation of very large Societies, democracy is not expected to cause any problems.

In the Netherlands, a special plan has been drawn up for the Regional Societies, and in Sweden a study of the functioning of democracy will be made in the large Societies.

Information to the members on questions referring to rapid changes in the Movement is given through the usual channels (the press, meetings, conferences, the election of representatives). In this connection it may be mentioned that in Denmark the representatives are informed by personal letters from the President of F.D.B.; that in Sweden a special course has been planned for group studies of the programme for the concentration of Societies, which includes material for investigations and discussions round the problem of concentration in the districts where the members of the group live. An interesting point in this connection is the relatively very high number of representatives in the Soviet Union - 1,000,000 of 40,000,000 members.

Appendix B.

Community of National Consumers' Co-operative Organisations of the Common Market.

In June, 1957, the National Organisations of Consumers' Co-operatives of the countries interested in the Common Market created a Community with the following organs:-

1. A Political Committee of representatives of the National Co-operative Organisations concerned, having as its purpose - to examine the consequences for consumers and their Organisations resulting from the application of the Treaty; to define and co-ordinate the tasks to be undertaken to further the development of Co-operative Organisations within the Common Market; to decide the policy to be followed to this end, also appropriate measures to be taken to protect consumers' interests; to obtain consumers' representation in the Economic and Social Committee envisaged by the Rome Treaty.

2. A Permanent Secretariat, having the task of documenting the members of the Community on the general problems arising from the coming into force of the Treaty, of publishing an Information and Documentation Bulletin, of collecting,

by investigations or otherwise, economic and social elements relating to the different problems which confront the members by the application of the Treaty.

By the intervention of the Belgian Government, the Community is represented in the Economic and Social Committee by its Secretary, W. Serwy.

The activities of the Community are pursued in two main directions – one has a general character in liaison with the activities of the Economic and Social Committee; the other has a special character concerned with problems of the members and considered as a function of the application of the Rome Treaty.

Through the collaboration of the Community within the Economic and Social Committee, the view-point of the Consumers' Associations on the following problems has been made known –

Harmonisation of trade policy between member and non-member states;

Right of establishment in overseas territories;

Elaboration of regulations of competition within the E.E.C.;

Elimination of discrimination in the transports system within the E.E.C.;

Elaboration of a common agricultural policy within the E.E.C.;

Social security for migrant workers;

Right of establishment of corporate bodies, particularly Co-operative Societies, in the countries of the Common Market.

Consumers' Associations are represented in the specialised sections of the Committee concerned with economic questions, unsalaried services and activities (commerce), nuclear economic questions.

The Community has formed a group of about 20 members within the Committee to safeguard consumers' interests in the solution of problems arising from the Rome Treaty.

Contacts have been established with certain groups in the European Parliamentary Assembly, also the European Secretariat of I.C.F.T.U.

In the sphere of its own activities, inventories have been made of the importance and nature of commercial exchanges between the Co-operative Wholesale Societies of the Common Market, also the variety and volume of their productions. These inventories should enable new methods to be introduced with a view to wider and more fruitful economic collaboration. Each Wholesale Society of the Common Market has been invited to organise a permanent information bureau for the development of mutual exchanges.

The Community is now considering the position of Consumers' Associations in relation to the E.E.C., particularly as regards – the fiscal system in the member states, especially the turnover tax; legislation concerning the manufacture and sale of products; contribution to compiling a food codex.

CO-OPERATION IN A CHANGING WORLD

Dr. M. Bonow, Sweden: The theme which I have been asked to present in my paper is a very vast one, and when the subject was dealt with in a preliminary way in the Executive and the Central Committee, when the theme of my paper was decided on, the scope was widened a little further. I had intended to confine myself more specifically to Consumers' Co-operation and its problems, but it was pointed out that it would be valuable to have at least some references, even if these could not be so profound, to the effect of structural changes on other forms of co-operative enterprise in the Western world. When the draft of my paper was presented to the Central Committee meeting in Vienna this Spring, it aroused a certain amount of criticism, especially from Mr. Klimov and the representatives of other co-operative movements in the Soviet bloc, if I may without giving rise to misunderstanding use that term. These criticisms were elaborated and published, after the Central Committee meeting, in an article which I think at least some Congress delegates have had an opportunity to read in connection with the auxiliary meetings preceding this Congress. The criticism was aimed in particular at the fact that my paper did not deal thoroughly enough with economic and social changes in the world as a whole which have taken place during recent decades and which form the background against which co-operative development has to be judged.

This argument makes it necessary for me, in introducing my paper, to say a few words about such factors, which I could have dwelt upon to a greater extent but which it was not possible to discuss at great length in a paper to the I.C.A. Congress, a paper which is already voluminous. One of the criticisms made of the paper in this respect was that there should have been a fuller treatment of the world political implications arising out of the tension present today in the world economy and world politics, arising out of the fact that after two world wars, and especially after the last one, there has been formed a group of countries of growing economic importance which have a communist economic system, and it is the competition between the two systems which to a great extent determines the shape of world economic development today. In this connection, also, of course, the cold war and the risk of nuclear warfare could be mentioned.

I should like to use as a defence against the accusation of omitting to deal with that special aspect to any great extent in my paper, the explanation given by Aldous Huxley in the foreword to his very interesting book, *Brave New World Revisited*. He says in introducing his book – bear in mind that it is not just a paper, but a complete book – “The chapters that follow should be read against a background of thought about H-bombs, about the cost of what every nation refers to as ‘defence,’ about those endless columns of uniformed boys – white, black, brown, and yellow, marching obediently towards the common grave.” I would not have been able to express the same thought with the same deep feeling as Mr. Huxley, but I agree that these problems are of the utmost importance, and every sensible man and woman in the world agrees about the enormous importance of them. I submit to you, however, that it would be no use to enlarge on these themes in connection with a paper dealing with the structural economic changes and structural social changes having an influence upon the co-operative form of enterprise.

Dr. Bonow began by pointing out an error in the heading to Table 2 as printed in the Agenda and Reports, p. 89, where “per 1,000 Population” should be “per 100,000.”—I.C.P.

Let me take another example. I am dealing with some technical aspects of the development in my paper, those technical aspects which have a more direct bearing upon the co-operative form of enterprise. I might be asked, "Why not deal with the enormous new achievements of mankind by which we can send rockets into outer space, and so on?" Let me again in this connection quote Aldous Huxley, who has some pertinent thoughts on that subject. He says in the book which I have just mentioned, "A new age is supposed to have begun on 4th October, 1957, but actually in the present context all our exuberant sputnik talk is irrelevant and even nonsensical. So far as the masses of mankind are concerned, the coming time will not be the Space Age; it will be the age of over-population." I agree on this point too, and I wish to mention that this enormous problem which faces mankind, over-population and its repercussions upon the whole world and upon the different continents of the world, is also a subject which it would have been worth while to discuss at length in this paper, but it is outside the scope of the theme set for my paper, namely such economic and structural changes as have a direct bearing upon Co-operation.

I should like in this connection to remind you of the enormous size of this problem by once again quoting Mr. Huxley, who says, "At the present time the annual increase in world population runs to about 43 million. This means that every four years mankind adds to its numbers the equivalent of the present population of the U.S.A. and every eight and a half years the equivalent of the present population of India." I am not going to deal further with these world economic aspects which we shall all agree are of paramount importance for the future of mankind. I am only pointing out the position to show that I do not overlook these problems, and none of us do; but it is a matter of fact that we have to concentrate our deliberations upon such economic, social, and technical changes as have a direct bearing on Co-operation.

To make the position still clearer, I would add a word about colonialism. It was also said in the criticism launched by Mr. Klimov and other speakers at the meeting of the Central Committee at Vienna, that the breakdown of the colonial system should have been treated as an enormously important factor for mankind. I agree, and it is said in my paper that the breakdown of colonialism has an enormous importance; but I point out that the problems of the developing countries, which in the first instance will be affected by these enormously important changes, which we all hope will take place as rapidly as possible to make peoples in the developing countries free and able to take care of their own affairs, have a special bearing on the co-operative movement in the developing countries; and at this Congress we have given up a whole day to a very good discussion dealing with that aspect of the subject. That is the only reason why I have not put in the forefront of my paper the problems affecting Co-operation in the developing countries, apart from cases where certain measures affecting the world economic situation can be advocated by the I.C.A. owing to its position as a Category A consultative body with the United Nations - such recommendations as the need for a clear trade policy to increase trade between the Western countries and the developing countries, such matters as taking a really important step forward in the control of raw material prices, which has been arranged for certain commodities to diminish the impact of great fluctuations upon the vulnerable economy of the developing countries, and international monopoly control, which would tend also to improve the terms

of trade between the developing countries and the Western countries. These things are enormously important in addition to what can be done in the form of technical assistance, long-term and short-term credit, and financial assistance and all other kinds of help from the Western countries to the developing countries. It must not be thought, therefore, that I am overlooking this fact; it is only that we have in mind, that a whole day of Congress has been devoted to this problem, and so I have concentrated on the more technical aspects, especially concerning development in the Western countries.

The work of this Congress is in two parts. There is the very important statement made by the President yesterday about our long-term programme of action in the field of technical assistance, and there is the long-term programme of action which will most directly affect the Western countries but which will to a large extent indirectly affect in a favourable way the co-operative movements in the developing countries.

Having made these introductory remarks, I hope that I can take it for granted that all the delegates have had an opportunity of scanning my paper and seeing the general trend of the reasoning presented in it. The paper begins by setting out the headings and sub-headings relating to the different aspects of the subject with which the paper deals. I do not need to say anything about the first heading, "Definition of Co-operative Enterprise," but I should like to make it clear with what I am dealing in the paper. Even the summary given of the origin of Co-operation and its types of enterprise does not need any comment. What I have said earlier about the external *milieu* of different types of communities in which Co-operation has to develop, and which influences the co-operative movement to a large extent, and which the co-operative movement in its turn can also influence, needs no special comment. There will be an opportunity in my summing up in reply to the discussion to come back to that point, because I expect that there will be some comments made on Chapter III, "The External Milieu and its Development."

I should like to say also with regard to Chapters IV and V, "Some Structural Changes in the Welfare States of the Western World and Their Influence on Consumers' Co-operation," and "Some aspects of the Effects of Structural Changes on Other Types of Co-operative Activities," that there is no need for me to repeat even the sub-headings about changes in distribution of population, motorism, the rising standard of living and so on, because all these very important and well-known factors affect, and will, in future, always affect, the pattern of distribution and production, the system of communications and so on in the whole of economic life, and will do so also to a very considerable extent in the co-operative sector of the economic life in our different countries. I shall not deal with this, because it is the background, while at the same time it is the reason why there is the need for us within the I.C.A. and the national co-operative movements to think very deeply about how our co-operative form of enterprise can in the best way be adapted to these very important and very rapid changes in the economic, social, and technical respects.

I shall not dwell either on Chapter VI of my paper, "The Economic Regions and the Global Perspective." I wish only to add that I could have enlarged this chapter very considerably, dealing more in detail with the aims and tasks of the Common Market, the Free Trade Area, and Comecon (the economic group round the Soviet Union, which is usually described by that name), but I do not think it

appropriate to do so. It may be necessary to bring some text forward in the discussion later. I have a good deal of documentation showing that the Common Market and the Free Trade Area are not in any way unique in their economic consequences, in their development towards economic integration, but that the same applies to the collaboration which is taking place within the Comecon group. I wish to mention this specifically because there has been criticism, especially from Mr. Klimov, that the Common Market and the Free Trade Area involve measures which hamper world trade. If this is an argument against these two groupings, the same applies to Comecon. The general line which I take in the paper is that these regional groups can be accepted and defended not as ends in themselves but as gradual steps forward to all-embracing free world trade, which must be the aim of all of us as Co-operators.

I wish now to say a few words about what I have tried to do, namely to put on paper a programme of co-operative action. That is dealt with in Chapter VII. It may seem very ambitious for an individual to try to do something of this kind, but I must point out that what I am proposing here does not consist by any means of original ideas which I happen to have. These are current thoughts, current problems, which are common to a great number of the Western co-operative movements in particular and the solutions and recommendations which I have tried to put down in a systematic way in my paper are not original thoughts of mine, but just a summing up of the thoughts which much more able commercial specialists and specialists in other fields in the different Western co-operative movements have already started to put into action within their national co-operative movements, and which to a great extent they have started to implement already. Because of that, I do not think that I should go into details in discussing the programmes of action which are here proposed.

On the national plane a number of movements have already started to take action to rationalise their shops and shop structure and to rationalise the structure of their societies. I should like to add an important item of supplementary information at this stage which came to hand only a few days ago, namely that within the British Co-operative Movement - I am talking now of the structure of co-operative societies - the amalgamation study which has been carried out by the British Co-operative Union and which is mentioned both in my paper and in Appendix A, has now been published. According to information in the newspapers - I have not seen the report itself - this co-operative plan to regroup retail societies means a cut from 875 to 307 societies. The aim of these mergers, of course, is to create stronger units. I do not propose to deal in particular with the British report. Amalgamation plans have been drawn up in other movements, and in Sweden have the endorsement of our National Congress, but it is up to every individual co-operative society and its members and their representatives to decide on these mergers. I think, however, that this is an important fact of which the Congress should be aware in discussing the amalgamation aspect of the recommendations contained in the programme of co-operative action given in the paper.

A great number of other facts could be added as supplementary information showing how rapidly private trade and private production is adapting itself to new technological methods and newer and wider markets, not only in Europe in the three groups which I have mentioned, but elsewhere. The same tendency is shown in South America, and I have material here giving the facts in some detail about South American integration plans. Similar efforts may be made in other parts of the

world. The main thing which I think we ought to observe is that we as Co-operators, responsible for co-operative enterprises owned and operated by consumers, by farmers, and by workers in the case of workers' productive societies, are now in a position where we should not by any means feel a kind of panic in looking at the very strong and growing competition which we have to face, but we should feel our responsibility so strongly that we should begin to think about putting our house in order in good time, and making both structural and other reforms to carry through those rationalisation programmes which will be quite indispensable if our form of enterprise is not only to hold its ground in competition with private trade and production in the Western countries, but to have an opportunity, as it should have, to expand, so that a greater and greater co-operative sector may cater for the needs of our members, be they consumers, farmers, or whatever position they occupy. We have not time to wait; we need efficient action, we need swift action and we need concerted action on the national plane, on the regional plane in the new groupings, and on the international plane through the I.C.A. and the United Nations organs and Specialised Agencies and our own services.

We need efficient and swift action, and I ask Congress to approve the resolution attached to my paper. This resolution as it stands contains no controversial elements. There may perhaps be a desire on the part of some delegates to add a word or two to make the resolution more comprehensive, and we may be able to see whether or not that is so after the discussion, and perhaps after the moving of amendments; but I ask Congress to approve this resolution as the embodiment of a co-operative programme for action which will supplement the very important statement on the promotion of Co-operation in the developing countries which Congress agreed to accept yesterday.

If this is done, we shall have a clear view of our duties within the leading organs of the I.C.A. for some years to come, a programme of action, a comprehensive programme which will serve the needs of Co-operators. The decision taken yesterday to increase to some extent the financial resources of the I.C.A. will provide the means which are absolutely indispensable for carrying out more important activity than has been possible in the past. It will enable the Alliance not merely to pass resolutions at Congress but to see to it that, through the auxiliary committees and other means at the disposal of the Alliance, these resolutions are implemented in practice, to the great advantage of our co-operative members. I move the adoption of the resolution.

The President: We are faced with the difficulty of a very considerable number of would-be speakers. There are six from one delegation, five from another, and four from another. That is not a reasonable way to organise a discussion, and in any case we have to close the discussion this afternoon. I shall begin by taking one delegate from each country, and when they have spoken I may call on another from certain countries. I suggest in any case that the list of speakers be now closed. Is that agreed?

The Congress agreed.

The President: It is not certain that all those on my list will be called on to speak. Having regard to the discussion which took place earlier in the Executive and the Central Committee at Vienna, where Mr. Klimov presented observations of a general kind, he will have the benefit of 15 minutes for his speech.

Mr. A. P. Klimov, U.S.S.R.: I do not want to repeat here what I said at the meeting of the Central Committee at Vienna. I maintain what I said then, with the exception of comments on certain things which have been made more precise in the paper, with regard to industrialisation and so on. Among the delegates here there are representatives of co-operative movements of different types, of the co-operative movement in the capitalist world, of the movement in what are called countries of mixed economy of socialist countries, and representatives of newly-freed and independent countries in Asia and Africa, representatives of Latin American movements and so on; but in this magnificent hall which has been put at the disposal of Congress by our Swiss colleagues there is a unity of ideals. When we consider the effect on Co-operation of the changes which are taking place in the world we should begin by defining the nature and force of these changes. The *rapporteur* suggests that this can be done by a quick glance at science and techniques, but that is not what is most important. The main point is that in our era, as many people have already said, there has been a change in the very form of existence of society, a very great development and a movement for improving the social structure by the creation and development of a socialist system, accompanied by the disintegration of the colonial system and the passage from capitalism to socialism after the socialist revolution in Russia. We have seen the awakening of the newly independent countries which were previously under colonial domination. There has been more than the great developments of science to take into account, but we must have regard to the great influence exerted all over the world by the technical progress which has taken place.

There are those who believe that scientific progress offers enormous possibilities of creating material wealth to meet all the needs of humanity. There are others, however, who realise very well that technical progress can also serve to create armaments. One trend is towards the lessening of international tension and the creation of international collaboration, but there is another trend which leads to an increase of armaments and the destruction of all possibility of international co-operation, with all the dangerous consequences arising therefrom.

We have to say quite clearly which of these two lines should be followed by the co-operative movement. We know that the co-operative movement is in favour of a lessening of international tension and in favour of the reduction of armaments. We have already shown unanimity on this subject in our resolution on peace.

We should like to propose an amendment to the resolution appended to Dr. Bonow's paper. He says that there have been important changes in the world, and since the resolution was drafted there have been other important changes. I should like to add at the end of the first paragraph the words, "which render indispensable peaceful co-existence."

I now wish to say a few words on Co-operation in the socialist countries. Dr. Bonow has surveyed the Western co-operatives, but despite the fact that the new world is relatively young it is full of strength and from year to year shows more and more clearly its superiority in world competition. Dr. Bonow does not mention these socialist countries, but merely calls them countries with a planned economy, and says that their structure is based on the communist doctrine of Lenin. It is true that the socialist regime is based on that doctrine, but it is necessary to understand that it has had a creative effect. Lenin explained more than once the importance and usefulness of Co-operation for the working-classes. After the

revolution in our country Lenin drew up an ideal co-operative plan, and it is now known all the world over. Co-operation has a very important part to play in the building of the new socialist society, and the doctrine of Lenin which underlies the socialist State is quoted in the constitution of the Socialist States.

After the revolution, the co-operative movement became a very vast organisation of workers and began to play a very important part in the economic and social life of the country.

The representatives of Co-operation insist on the right of Co-operation to compete with private enterprise, so far as possible on an equal footing, but Dr. Bonow says that co-operatives do not want to be given preferential treatment compared with private firms. In some capitalist States and countries of mixed economy an effort is made to provide more favourable conditions for Co-operation than for private enterprise, but most Governments in such countries support the interest of private capitalist firms, and recently in Western countries Co-operation has had to struggle against private monopolies. This leads me to discuss the proposals made by Dr. Bonow. I can understand the need of structural changes for co-operatives in Western countries, because if they are to survive against the competition of capitalist monopolies they must adopt the necessary methods and make the necessary changes. They have to face certain attacks against the co-operative movement, and that is why Co-operators in the Western countries ask for equality. In the socialist countries, however, the State is favourable to Co-operation, because the activity of Co-operation is intended to improve the welfare of the workers, which is entirely in keeping with the interests of the State itself.

The increase of national revenue and the increase of consumption in the U.S.S.R. have created conditions enabling us to increase the turnover of consumers' co-operatives and to change their structure entirely, and also to improve co-operative trade. There has been a very great increase in turnover in recent years, and the sale of some products has gone up six-fold. The sale of washing machines, refrigerators, and other durable household goods has increased nine-fold. Eighty per cent of the Soviet people live in the country and 20 per cent in the towns. It has been necessary for our consumers' co-operatives to set up a very special kind of trade in building materials, and by comparison with pre-war the sales of these have gone up 16 times. There used to be a great deal of illiteracy in the U.S.S.R., but now there is no illiteracy, and a new branch of co-operative trade, the sale of books, is flourishing and largely increasing.

All this has necessitated structural changes and re-organisation and strengthening of co-operatives, but we take steps to ensure that Co-operators are still able to play a part in the management of their co-operatives. We have to create entirely new types of commercial enterprise. For instance, we are obliged to build every year 20,000 new retail shops. I agree with Dr. Bonow that we are obliged to build new types of enterprise. We are now building large stores and shops, and in many of these shops there are restaurant and other services for the consumer. One of the main purposes of Consumers' Co-operation in our country is to re-organise completely domestic and family life. This is particularly important if we are to ensure that women do not remain domestic slaves, and, despite all that has been said and done about women's rights, women would have remained slaves had they been entirely occupied by domestic work. To enable women to become equal to men in economic and social life our co-operative movement has set up different services

such as restaurants and canteens, and we also have bakeries; we have built 17,000 bakeries in the last five years, and have to increase the number even further. Originally, the baking of bread in our country was done at home. We are creating a large network of social services. We have set up laundries to replace washing done at home, and workshops where members can have shoes mended, and so on, which is of great importance to housewives in the country.

Our co-operatives are interested above all in the development of social and cultural enterprises. Our members are now less interested in the dividends which they get, and we do all we can to create organisations to meet their cultural and social needs. In addition to commercial and productive enterprises we want to have crèches, kindergartens, holiday colonies in the country for children, sports grounds and sanatoria for members.

One peculiarity of Co-operation in the U.S.S.R. is that consumers' co-operatives have established a direct link with Agricultural Co-operation. Consumers' co-operatives in our country sell the produce of agricultural co-operatives, and that is very popular with our people. Last year 3,400,000 new members were affiliated to our co-operatives. In the assemblies in which elections are carried out, this year 65 per cent of all Co-operators were present, and more than one million people were elected to management bodies and so on.

The qualities which we find in Soviet people have enabled us to set up a new type of shop in which there are no salesmen or cashiers. In small areas where there are not many houses and only one shop the goods are prepacked and the buyer merely has to take them and put the price into the till himself, without anyone to check him. Tasks which were formerly carried out by State organisations have been transferred to consumers' co-operatives, which are now regarded as social organisations able to take over duties previously dealt with by the State. We are therefore very interested in the prospects held out to Soviet Co-operation.

Mr. H. Culbreth, U.S.A.: First of all I should like to congratulate Dr. Bonow on his very comprehensive paper, which covers a very wide range of activities and thinking in the co-operative movement. There is one area on which I should like to touch. Dr. Bonow makes the point that a co-operative enterprise is not an end in itself but rather a means which the members of that enterprise can use individually and collectively to fulfil their needs on both the economic and the social level. As he points out, co-operatives throughout the world have made considerable progress in meeting changing needs on those two levels.

I should like to supplement Dr. Bonow's excellent presentation by pointing out that co-operatives must become increasingly concerned with a third level of human needs, which is possibly the most important of all. It is not enough at this stage in history, and it has never been enough and I am sure it will never be enough, for co-operatives to be concerned only with bread-and-butter needs on the economic level and with needs on the social level; co-operatives must also be concerned with the needs of the whole man as a human being. These needs constitute the third level.

What is the third level? I am not quite certain just what word should be used to describe it, but perhaps it should be called the human level. Whatever it is called, I am sure it is the level at which a person derives his deepest and innermost satisfaction from life and comes closest to realising self-awareness and self-fulfilment. It is on this level that the individual gains insight into the essential meaning of his

work and his life. It is the level at which the resources of human personality are developed and used to the utmost, the level at which faith and love and peace endure, the level at which men and women emerge as great leaders of mankind.

In order to try to clarify what it is that we are thinking of in terms of this third level, I should like to quote from Dr. Hatta's paper yesterday, because he sums up very succinctly what I am trying to say. He says, "Through a co-operative each individual who is a member feels that he becomes strong . . . From a selfish individual he has become a social individual who is aware of his own worth . . . through a co-operative he gets to realise his own worth and to be aware of his responsibility for the happiness and the prosperity of all." Later he says, "Individuality does not come into existence by itself, but has to be made to live in the human soul." We thank Dr. Hatta for that excellent paper and for giving what seems to us to be the essence of co-operative action.

Co-operatives, because of their tradition, their character, and their intrinsic purpose, have a unique opportunity to encourage the development of human resources at this third level, because a co-operative fails if it does not help to provide opportunities for individuals to work together to complete their own personalities to the fullest extent of which they are capable. Free from the restrictions of the profit motive which dominates non-co-operative business, and growing in a political environment which emphasises freedom and the infinite value of the individual human being, co-operatives have an unparalleled opportunity to bring not profit to a few but dignity and self-reliance to the many.

They cannot do this, however, without consciously adopting a third level programme for spiritual development to which they give as much emphasis as they do to programmes at the economic and social level. We must learn to create the environment in our co-operatives which will help our individual Co-operators to reach towards an awareness of life and work so essential to leadership. The United States delegation, therefore, supports Dr. Bonow's resolution wholeheartedly but we should like to recommend that the resolution be made to include the application of co-operative action to meet needs not only on the economic and social levels but also on the level of the human spirit of man.

Mr. N. Verlinsky, Israel: I wish to add my congratulations to Dr. Bonow on his excellent and comprehensive paper. We live in the epoch of the Affluent Society which calls for all the modern kinds of services. Co-operation has to take advantage of all the developments which have been made in production and distribution, and only by matching the technological achievements of others will the co-operative movement be able to maintain its position and even to expand. In Israel the co-operative movement, which has undergone great development since the establishment of the State, occupies a dominant place in the economy of the country and tries to find the answer to the problem of increasing the participation of active Co-operators in the work of societies by expanding its information and educational work.

Agriculture is passing through a revolution brought about by new machines and fertilisers, new types of seed, improvements in livestock, and new methods of cultivation, which enable the land greatly to increase its production. That has been the case in Israel, where our agriculture has greatly expanded and our collective

farming organisations have largely increased their production. Israeli agriculture now provides 70 per cent of the country's needs, in comparison with 35 per cent 12 years ago when the State was established, although since then the population has grown two-and-a-half times.

Simultaneously, however, the income of farmers in all parts of the world has steadily declined, in spite of the mounting prosperity for other sections of the economy. In this situation, the main task of Agricultural Co-operation is to improve the conditions of the farming population. In the long run this will have to be achieved by the agricultural population of all countries. In the short run, it is obligatory to defend the hard work of the farmers and to help them to secure proper prices for their production and prevent them from leaving the land.

The co-operative movement has to be more active and show more initiative in achieving better conditions for its farmer members and must join with other agricultural organisations to find a solution for this problem.

In conclusion, I should like to express my deep conviction that in this divided world, in this world of cold war, the co-operative movement with its ideological and spiritual powers must contribute to the improvement of the social and economic conditions of the peoples and to the establishment of more friendly relations between different races and nations. We hope that the co-operative movement will be able to realise this great mission.

Mr. M. Degond, France: On behalf of the French delegation I should like to tell Dr. Bonow that we entirely agree with the specific recommendations which he makes, and particularly those concerned with Consumers' Co-operation. We accept the necessity for the concentration of co-operative forces, and we are the more ready to give our agreement to the directives set out in the resolution because the same directives have long been adopted by our movement.

At the French National Congress, as long ago as 1913, a resolution was adopted for the creation of regional societies. It is very easy to understand the reasons for such a decision and it corresponds with many points made in Dr. Bonow's paper. There have been far too many co-operative societies, and sometimes several small bodies in one town. There have been over 100 in the Paris area alone. These co-operative forces, so dangerously scattered, are bound to remain dangerously weak when faced with well-organised competition. That is the reason for the decision which we took, and the reason for the movement of concentration which we have seen in France since the last war. We have seen the emergence of some 40 regional co-operatives as the result of mergers of small co-operative units in a given area. What has taken place is shown by the number of our societies. There were 3,500 in 1910; 3,260 in 1914; 1,650 in 1924; 940 after the second world war in 1946, and there are fewer than 600 in all today. What is happening is also shown by the growing importance of some 40 regional co-operatives.

I apologise for giving you a purely French view, but you will understand how much we appreciate and approve of the suggestions which Dr. Bonow has made. Our movement has for long practised a policy of concentration. It is often said that this policy of concentration means that Co-operators will be remote from the central headquarters of the society and will have no contact, or no regular contact, with the responsible officers of the society. In that case Co-operators may feel that

the co-operative is only a shop, and they will know nothing of Co-operation beyond its material aspect. We have to watch this tendency, or gradually it will mean the very negation of the road which we should follow and the co-operative society will become almost the same as private enterprise. This is an aspect of the problem which, in my view, Dr. Bonow tends to gloss over in his paper, and it is something about which I should like to speak a little more in detail.

In France, as in many other countries, we are of necessity faced with the human problem and the need to use various measures to solve it and to enable regional co-operatives to remain true co-operative societies. The French movement was very soon led, therefore, to set up in each regional co-operative society sections in each village and town in the area with a section committee made up of co-operatives from the local area. There is a general assembly of the sections, and this assembly discusses all the questions concerned with the life of the society. There are also different recreational and educational meetings, and to ensure that co-operative life is continued, the regional societies deal with the problem of education of the members in the villages, and the people in charge of the sections meet several times a year in a general committee. We attach the utmost importance to the training of these leaders.

I apologise for perhaps boring you by telling you what is being done in our movement, but it is because we are going through this experience that we approve Dr. Bonow's conclusions. We must not, however, forget the human problem which arises out of this policy of concentration, and our technical and commercial developments must be accompanied by a moral and democratic development as well. We must find a solution to this problem through the I.C.A., which is the guardian of our principles. The more our organisations progress, the more we have to ensure that in this forward march they preserve all their ideals and principles intact.

Mr. A. A. Drejer, Denmark: Dr. Bonow's paper is to some extent concentrated on the consumer side of Co-operation. That is quite natural, and the examples which he draws from the field of Consumers' Co-operation will be of value to all types of co-operative undertaking. It is perhaps an advantage that Dr. Bonow has devoted attention principally to Consumers' Co-operation, because comments of a general nature are always of greater value when related to practical work.

I wish to make a few remarks in this discussion from the point of view of Agricultural Co-operation and I should like to emphasise that the position of Agricultural Co-operation in a changing world has its own special character and problems. This is partly due to the fact that Agricultural Co-operation is represented by a great number of small units which occupy a special position. Secondly, we have been and are faced almost continuously with a changing world and we have had and have to adjust ourselves to it. So far as agriculture is concerned any kind of generalisation is difficult, because we are concerned with countries in very different stages of development. In many respects Agricultural Co-operation is affected by changing world conditions in the way described by Dr. Bonow. There is specialisation in production, and there is the question of the development of primary industries which are interposed between the producer and the consumer, thus widening the distance between the two. Integration is taking place from two sides. There is integration within the agricultural movement and integration in the co-operative movement as a whole. In no other field of Co-operation have we the same number of small units which we find in Agricultural Co-operation. It is

essential for us to maintain the interest of our members, whom we seek to serve. It is of the first importance that we should strengthen our co-operative agricultural organisations and in particular strengthen their connections with their members, which is of the greatest importance in our daily work.

Mr. G. Banchieri, Lega Nazionale, Italy: Dr. Bonow's paper raises many problems, and I should like to make a few general remarks on the manner in which the author conceives the process of development of the tasks of the co-operative movement. The paper raises very important questions regarding the economic life of a country and expresses some optimistic opinions which in my view are rather subjective. There is the rather strange statement that in our Western countries there is competition on equal terms between public enterprise, private enterprise, and co-operatives. There are certain factors which should be emphasised in this connection, and one of them is the great scale of investment to renew the equipment of enterprises under the influence of the exceptional technical innovations which have been introduced. This has brought huge increases in profits to certain enterprises. There is a marked tendency to concentrate investment in areas where conditions are favourable for high production at low cost. It is true that certain categories of workers have had a considerable increase in their standard of life, but we should not under-estimate the effect of the introduction of new techniques and the possibilities of technological unemployment as a result of automation, which may be considerable.

In my own country, at least, unemployment is one of our main social problems, because we have nearly 2 million unemployed workers. In the United States unemployment recently represented almost 6 per cent of the total labour force.

We feel it is necessary to draw attention to the process of capital concentration. In Italy 65 large limited companies have 30 per cent of the share capital of the country. In America it is said that the 500 largest firms have more than half the industrial and mining production of the country and take 70 per cent of all the profits. It is this process of concentration which reinforces the position of monopolies, and regional agreements between countries are likely to prove a powerful stimulant to this process and make for concentration. This being so, it does not seem conceivable that Articles 65 and 66 of the Rome Treaty will be adequate to prevent the effect of monopolies in production and marketing.

In dealing with the tasks of Co-operation in Western countries, we should ask ourselves to what extent and under what conditions Co-operation can today play an important part in order to ensure that technical progress in all its aspects gives rise to stable and widespread social progress and enables control of monopolies to be effective and makes possible the defence of the consumer.

Mr. W. Serwy, Belgium: The *Société Générale Coopérative* in Belgium feels that we should be grateful to Dr. Bonow for having completed his study and analysis of the present economic situation, of which the different factors undoubtedly affect the development of the co-operative movement. We should realise that the Western world in particular is now in the process of a true economic and social revolution, such that the co-operative organisations must resolutely consider how best they can adapt themselves to the inevitable and profound structural changes which are and will be taking place. This adaptation is particularly necessary for co-operative movements in the Common Market countries, in view of the fact that the economic and social development which is now taking place and which is being

accelerated, is unalterable and will bring these countries closer to integration in the economic and social fields. We must therefore be in agreement with all the measures proposed to increase the efficiency of co-operative enterprise if we wish it not merely to survive but to expand its influence in the interests of the material and moral well-being of consumers.

To do this we must ensure that all the necessary means are taken to ensure the position of our co-operative organisations in the respective countries, and the necessary concentration in their structure and activities at the commercial, industrial, and financial levels in order to achieve the most rational organisation providing the best service to the consumer. The ever intensified action of our adversaries points to the necessity of integration in the wholesale and retail trades and in trade and production. In evolving a programme for co-operative action we must also be fully aware of the necessity for strong united action at both international and national levels. In this connection our co-operative organisations of consumers must establish and maintain closer and more effective relations with agricultural co-operatives in Western Europe in trying to draw up agreements on the marketing of agricultural products through co-operative retail shops. In carrying out the common agricultural policy adopted by the countries of the E.E.C., which recognises the family farmer as the basis of agricultural economy, consumer co-operatives of these countries must concentrate on the development of their distribution system in agricultural regions, in order to satisfy the needs of agriculturalists. This is also true of countries outside the E.E.C. Recommendation for such action should be incorporated in the resolution proposed by Dr. Bonow. We feel that it is important that the co-operative housewife is given more opportunity than at present to undertake management in our enterprises and to play a greater part in the action which is being undertaken in the field of consumer information, and in the protection of the interests and health of the consumer. Let us make the best use of the part they can play to ensure the efficiency of our co-operatives which will help their expansion.

Mr. A. Mayr, Italy: As a representative of *Confederazione Cooperativa Italiana* I should like to thank Dr. Bonow for his paper. In a period of automation such as we are experiencing at the present time, Co-operation is presented with problems, and today co-operatives have to strive more than ever to preserve their character. I wish to support what the Chairman of the Agricultural Committee, Mr. Drejer, has said. We are happy to see the widening membership of the agricultural co-operative movement in the I.C.A. and to know of the work done by the Agricultural Committee, and particularly by Mr. Davidovic. We are very pleased to find that contact has been made with the European Confederation of Agriculture, and that Dr. Stern, its director, is present at this Congress. Agriculture is fundamental to the existence of everyone. Agriculturists realise that they can only find safety in Co-operation, and that is what Agricultural Co-operation is for. We see today that research is being carried out by giant enterprises in order to find sufficient sources of food for humanity. I am sure that agricultural co-operators have a specific task to fulfil and that we should therefore devote particular attention to this side of Co-operation.

In the developing countries Agricultural Co-operation is very important, and particular attention should be devoted to it on the part of co-operative organisations generally. Agriculture is the most highly scientific and technical form of

production which exists. Efforts to promote the technical development of agricultural co-operatives and their contact with other co-operative organisations are necessary. Just as in Denmark consumer co-operatives and agricultural co-operatives came together at Aarhus, so we would like further contacts on the same lines to be arranged in Italy.

Mr. H. Meins, Germany: Dr. Bonow is right in urging us all to think ahead and to help to introduce new and desirable developments at an early stage. He has referred to the problems of Europe, including those of the Common Market and the European Free Trade Association. We agree with him when he says that co-operatives can play their proper part only if their activity is unhampered. We must try to see that our co-operatives are able to undertake wider European trade and we must consider the possibilities of integration so that, for example, the Common Market and E.F.T.A. may grow into one body. Our efforts so far have not been sufficient, and the organisational framework of Co-operation in the Common Market is not sufficiently strong. We are losing valuable time and it is essential that we should do constructive work which would enable us to take the necessary decision.

I realise that one of the main difficulties in the Common Market area lies in the dissimilar development of our organisations. We must realise that the position is serious and find means of overcoming the difficulties. If we are not able to co-operate in the Common Market and in E.F.T.A. it will be difficult to make progress in co-operative production or to meet the competition of others. We must act in a spirit of solidarity and ensure joint progress in the Common Market and in the Free Trade Area and study how this can be done. I urge that we must examine the framework of our activities in order to inaugurate practical progress.

Mr. P. P. Takov, Bulgaria: Dr. Bonow deals with a number of very interesting practical matters which warrant the attention and support of this Congress. It seems to me that the tendency towards a widening of co-operative organisations in the consumer field and the question of collaboration between consumer and agricultural co-operatives as well as that of improving international co-operative trade deserve our attention.

I do not think that Dr. Bonow has given sufficient attention to the economic and social changes which followed the great October Revolution and the second world war throughout the world. We should note how these have affected the co-operative movement. The I.C.A. should be able to answer the questions which arise in the international co-operative movement in a realistic and scientific manner. Dr. Bonow himself admits that the development of monopolies is more and more hampering co-operatives, but what is meant by the need to adapt co-operatives to the changing conditions? Does it mean that we reject structural measures and forms of organisation which are not appropriate for Co-operation? Dr. Bonow suggests that there are no other methods available for co-operatives in the Western countries than those already taken by a number of national organisations, but I do not think that this is the right solution. Instead of committing Co-operation to imitating the monopolies we should envisage the destruction of these monopolies, which always lead to disaster and war. If Dr. Bonow had studied carefully the development of Co-operation in the socialist countries he would have seen that in those countries it has developed very rapidly and has expanded its fields of work because the socialist States have destroyed the greatest enemies of Co-operation, namely the monopolies.

The purposes of monopolies are in accord with the purposes of capitalist States, but monopolies are not in keeping with co-operatives, whose interests coincide with those of the socialist States, which is why the socialist States support them.

In recent years there has been a great expansion of the co-operative movement in Bulgaria. About half a million new dwellings have been built in our country, and co-operatives have supplied the building materials required. The countries recently freed from colonialism have the necessary conditions for a great development of Co-operation, because the struggles of their peoples against the colonial regimes have also been struggles against monopolies.

Mr. L. Kopriva, Czechoslovakia: I wish to say something about the definition of co-operative activity given in the paper. Although co-operatives exist in all countries, including countries whose regimes are entirely different from ours, their substance and functioning differs according to the economic and social environment in which they work, and this fact is not sufficiently emphasised in the paper. I should like to explain this a little further. In the socialist countries political power is vested in the workers, who at the same time are the owners of the means of production. This socialist property normally exists in two forms: there is the form of property which is nation-wide and there is group property, or in other words co-operative property. In capitalist countries the means of production and the political power are on the contrary, vested in the bourgeoisie. The co-operative movement is subject to the economic laws of development of capitalist societies, and the co-operative movement must try to protect the workers against the pressure of capitalist monopolies and try to do away with exploitation; but when political power and the means of production pass from the hands of the exploiters into those of the workers, many of whom are co-operators, the function of the co-operative movement changes.

The co-operative movement in capitalist countries cannot play an important part in economic and political life. In socialist countries the co-operative movement plays a considerable part in the national economy and, as the socialist State has the same aims as the co-operative movement, co-operation between the co-operative movement and the Government in socialist countries is very close, because they have common aims.

In the Alliance we find that collaboration between the co-operative movement and the State is criticised in order to support a policy of discrimination, but this co-operation exists in different forms in capitalist countries also, but is of a different character. It is for co-operators in the countries concerned to judge whether or not this is good for the co-operative movement. When we speak of the functions and tasks of the co-operative movement we must take into consideration all the peculiarities of the different countries in which it operates. I am sure that Dr. Bonow is well aware of this, and for that reason it is not possible to say that there are certain errors in his paper; it must rather be said that the paper is meant to conceal the truth from delegates and that Dr. Bonow is trying to support the unjust policy adopted by the Alliance towards the co-operative organisations of the socialist countries.

Mr. A. Korp, Austria: On behalf of the Austrian delegation I thank Dr. Bonow for so clearly stating the problems of world-wide structural changes in the economy and their effect on co-operatives. I should like to say a few words about

questions concerning regional co-operation. Dr. Bonow has pointed out in his paper – and Mr. Meins referred to this in the discussion – that the wholesale societies in the Common Market have tried to increase their co-operative activity by forming a group, and recently in the European Free Trade Area the wholesale societies have set up a group similar to that which now exists in the Common Market. However good it may be that in the two economic areas of Europe there should be special co-operative bodies, I believe that this Congress is a suitable body in which to express regret that co-operatives in the European area are, for political reasons which should not be discussed here, at the moment operating on two different wavelengths. We hope, however, that we shall have sufficient wisdom and caution to ensure that those two wavelengths run parallel under the umbrella of our Co-operative Wholesale Committee.

There is, of course, a danger in splitting up Europe into two economic areas, and this I would illustrate by an example. This split may well mean that co-operative contacts may be made more difficult. It is the main concern of Dr. Bonow and of the resolution attached to his paper to encourage societies to think more internationally and to set up more international bodies. We find that the setting up of any large international enterprise requires a great deal of capital investment. When it is done the question of the headquarters has to be settled, and we know how difficult it has been already in one country to find appropriate headquarters for such an enterprise. We have to weigh up all the factors involved – raw materials, labour, transport, geography, distribution, and so on. We have to bear in mind, however, that the Common Market and the European Free Trade Area cannot last forever, although it has been said that for the time being nothing can be changed because there is no common ground. In my view, we have not paid sufficient attention to the fact that this possibility of revision implies certain dangers. Our co-operatives must proceed very cautiously in dealing with the problem lest we find ourselves faced with *faits accomplis* of which we shall later be unable to rid ourselves. We must bear in mind that regional economic groups can be no more than stages on the way to the achievement of our final purpose, greater freedom of trade generally. We hope that in time there may be co-ordination between the Common Market and the Free Trade Area, and at any rate we want to bring about co-operative co-ordination between the two working groups. Dr. Bonow's paper may well usher in a new era in Co-operation.

Mr. Y. Wakui, Japan: The co-operative movement in Western countries is described in this paper, but I want to make some remarks on monopolies. In Japan we have private monopolies. The object of our co-operative movement is not to protect the interests of capitalists but to protect the interests of the people and to raise their standard of living. Co-operatives, therefore, should fight against private monopolies which try to increase their profits by all possible means. This is the problem not only in Japan but in many countries, and we have many examples of this economic competition. We appreciate that the I.C.A. has taken the problem of monopolies into consideration, but what we want to say in this Congress is that all co-operatives in the world should mobilise their power and stand firmly against monopolies. In Japan private monopolies are trying to suppress co-operative activity. We ask the I.C.A., therefore, to conduct research into the practices in various countries and into the action taken by co-operatives in their defence. We believe that this is one of the most important tasks of the Alliance.

Mr. D. Bajalica, Yugoslavia: We all know very well that the world today is witnessing technical achievements which are quite extraordinary. The co-operative

movements of capitalist countries and of developing countries are trying to harmonise their economies with the enormous scientific and technical progress which is being achieved. At the same time a number of countries have come into being with new social systems and in the socialist countries monopolies have been done away with and Co-operation is becoming of ever-greater importance in the economy. Co-operation plays an increasingly important role in the socialist countries, and that is why it is time to examine the situation of co-operatives in the new circumstances. The material contained in the paper relates to certain co-operative organisations and leaves on one side a large number of national organisations whose experience might have helped to solve the problems facing co-operative organisations. It would be advisable for us to form one or more working parties to go into all this material and draw conclusions from it. We co-operators should preserve the traditional co-operative principle of voluntary action and the safeguarding of the economic interests of our members. We have to preserve the democratic form of management of our societies. I am not sure that centralisation will render the problem of democracy in our co-operatives more easy to solve. In considering the management and functioning of co-operatives it is necessary to take into account the different circumstances of the various organisations. All this should be considered and afterwards a conclusion should be reached about how to profit in solving the problems. The whole question of the future development of Co-operation has to be examined in the light of developments in each country, taking into account the peculiarities of each. In Yugoslavia there is a general committee concerned with the organisation of the work of co-operatives and at the same time machinery for management by co-operators and workers employed in co-operatives. This system of management is so developed that a very large number of co-operators are able to take part in the work of management.

Mr. J. Jalava, K.K., Finland: I wish to express our satisfaction that this extremely urgent subject has been taken up for discussion at this Congress. I also want to express our thanks to the author of the paper, Dr. Bonow, for the very competent job he has done. The subject of the paper is one which has to be dealt with as a matter of urgency but it might also be said that we are one congress too late in dealing with the matter. Big private enterprise organisations have, for a long time past, been systematically modernising their activities as regards both administration and techniques, as Dr. Bonow says. If the co-operative movement wants to retain its place in the sun and gain itself more supporters it must, without prejudice, make use of all the methods of modern business management. Techniques of management which were all right in the early days of our movement are no longer adequate and we have to make use of all the methods offered by modern research.

The co-operative movement must radically abandon formalism of every kind. The national co-operative movements and their central organisations and also the International Co-operative Alliance have to observe the developments which are taking place in this respect in general and with the aid of analyses by competent experts study how to adopt the new methods and use them in our own activities. It is not enough that we should follow what others are doing and then do the same; the co-operative movement has to carry out independent and creative research and planning. We have long experience and the possibilities for doing this ought to be available.

The present trend is towards ever bigger co-operative units in both production and distribution. In the production of mass commodities only big industrial

enterprises are able to produce at competitive prices. Likewise, in distribution big units cut down costs, thus ensuring competitive ability. The assortment of goods in our shops must be developed enormously. The place of food in the budget of consumers decreases as the standard of living rises. Co-operative societies have to include in their programme to a greater extent than before the sale of dry goods. This does not concern only household equipment and furniture, but also agricultural machinery, building materials, cosmetics, and many other things, including articles for hobbies and so on. Co-operative societies themselves are striving to become bigger economic units. Societies which have only a few shops supplying members with foodstuffs can seldom operate profitably. In cases of this kind we must, without prejudice, try to make bigger and economically profitable societies.

In this connection a problem arises which is well known in many co-operative countries, that of contact between the members and the society. In the case of big societies it is more difficult to get members to participate closely in the activities of the society than it is with a small society. This fact, nevertheless, ought not to deter us from seeking economic solutions; but we must find ways in addition to improve contact between members and the society. Modern forms of education and propaganda, based on scientific knowledge, offer many very helpful suggestions.

The change in the social structure which is nowadays taking place is of great importance for the co-operative movement. The number of manual workers is no longer increasing – is in fact even decreasing – while the number of so-called white-collar workers is greatly increasing. This phenomenon, which can be proved statistically in many countries, is naturally caused by changes in the development of production. In any case it is a fact to which the co-operative movement must pay serious attention. Our movement cannot, and must not, limit itself only to the working classes in the strict meaning of that term, but must try to draw into its sphere of activities officials, civil servants, and corresponding groups. Their attitudes and habits of consumption are, of course, somewhat different from those of the workers, but the co-operative movement has to adapt itself to them. This change must be taken into consideration in all our activities. On behalf of our movement, I wish to support the adoption of the resolution appended to Dr. Bonow's paper.

Mr. Tatu, Roumania: Dr. Bonow's paper does not deal with the situation of co-operative movements in the socialist countries, but I should like to describe very briefly the way in which the transformation in the social and economic fields occurred in Roumania during the years following the second world war. The socialist regime creates conditions which are extremely favourable to the development of the co-operative movement. First of all, the mass character of Co-operation has been consolidated. This was possible because the democratic or popular system creates all the conditions required for the promotion and rapid development of the co-operative movement. Thanks to this, the Roumanian consumers' co-operatives now have more than 5,200,000 members. In the past ten years the economic activity of Roumanian co-operatives has increased very considerably and the value of industrial articles and food sold through co-operatives in 1959 was three times higher than the figure for 1950. One-third of the total trade of the country is handled today by co-operatives.

The paper brings out the fact that the competition of monopolies and private trade constitutes a very important problem for co-operative movements in the Western countries which they are finding more and more difficult to meet. This

problem does not arise for our co-operative movement, because the co-operative movement in the villages has done away with private trade and now has more than 25,000 retail shops, almost double the number which existed in 1950. Self-service shops are now used, and all this has led to a speeding up of trade and to its greater efficiency.

The increase in agricultural production has helped to increase the volume of agricultural goods supplied by consumer co-operatives, which in 1959 had increased by 326 per cent as compared with 1950. Roumanian co-operatives pay special attention to the processing of goods and raw materials acquired from agricultural co-operatives. Comparing 1959 with 1950, there was approximately a five-fold increase in the processing of vegetable products. In addition to their economic activity Roumania's consumers' co-operatives carry on considerable educational activities among the members and staff and we have devoted considerable sums to this, taken out of profits. Great attention is also given to the training of new leaders and to the further training of existing leaders by appropriate forms of teaching such as short-term apprenticeships. In the special technical schools there is also a two-year course for future leaders. In other words, it may be said that, thanks to the great social and economic changes brought about after the second world war, and to the great help given by the State, co-operative organisations in Roumania, as in other countries of the socialist area, have been able to create a very effective organisation against monopolists and capitalists.

Mr. Subijakto, Indonesia: I congratulate Dr. Bonow on his excellent work and should like to make a few remarks on his paper regarding the operation of co-operative enterprises in the developing countries. I am very conscious in doing so that I am speaking to a most brilliant man in the co-operative field. My first remark is on the foundation of co-operative enterprises. In our opinion every word has a two-fold meaning, the first being concerned with the form or outward side and the second with the material definition or inner side, the philosophical side of the subject. We consider that the Congress in London in 1934 gave the foremost definition of Co-operation and we have accepted this definition and it is laid down in our co-operative legislation of 1958-59, because it contains the original elements which apply to all countries and all men in the world. In addition we have also a material definition, which in our view is to allow the members to provide for themselves, with freedom to define according to the character of every country. For example, in Indonesia all social institutions, including co-operative societies, must be defined in the light of the national philosophy - *Pantja Sila*. Consequently, the interpretation of the Rochdale principle of voluntary membership is not only accepted as open membership but also respected in accordance with the family spirit. In the developing countries where a large part of the population is illiterate, but have democratic rights, the Government is obliged to give assistance. This is most important, because I have the impression from this Congress that not only are the member States of the United Nations divided but also the member organisations of the I.C.A. are divided in the discussion of eligibility for membership. Speakers from the Western countries say that the democratic societies in the socialist countries are no longer co-operative and do not guarantee the personality of the individual. On the other hand the socialist countries call the Western countries capitalist. In this connection, I should like to express our feeling, which is that we fully agree with the statement by the delegate from Pakistan that we Asian people are not interested in questions of a political nature. That applies particularly to us from Indonesia. The so-called democratic welfare States, in their efforts to

assist the developing countries, seem often to be affected by political interests. As a proof of this statement, I would say that Western democratic welfare States are willing to give technical assistance to the developing countries if the countries concerned are definitely anti-communist. On the other side, the so-called socialist countries are also willing to give technical assistance to the developing countries if the countries concerned are anti-capitalist. This sort of attitude does not appeal to the people of the developing countries. There are some people there who stand with the West and some who stand with the East. I will conclude my remarks by an appeal to the members of the I.C.A. to broaden the field of development of co-operative societies by a definition accepted by all the members, a definition excluding interference from outside. We Asian countries do not ask for help but we ask to be understood. I believe that on the basis of mutual understanding and only on that basis can we succeed in the spirit of Co-operation. I support the declaration made by Dr. Bonow.

Close of Seventh Session.

EIGHTH SESSION.

Thursday Afternoon.

Co-operation in a Changing World

(continued).

The discussion on Dr. Bonow's paper was continued.

Miss J. Stephen, Great Britain: The Congress should be deeply grateful to Dr. Bonow for his excellent paper, and I should like to add my personal congratulations. However, as in so many instances this week, this paper has been used by some delegates as an opportunity for the repetitive reiteration of political propaganda, reminding one of the playing of some over-used gramophone record which no longer provides the sweet music which once it did. We heard some remarks from Mr. Klimov this morning in which he talked about the emancipation of women in Russia as compared with what he calls the capitalist States. It seems in my opinion a foolish ambition for women to want to work as long hours as men and to have very little domestic life. What is wrong with a woman rearing healthy citizens and taking a pride in it, or giving comfort and happiness to a husband? That is not a personal experience for me, because no man has ever had the courage to ask me to share his life. Mr. Klimov speaks of the introduction of vacuum cleaners, which were used in my country when I was 17 years of age, which is a very long time ago. He talks of washing machines and spin driers as if the women in other countries did not enjoy these advantages, and he says that the output of these things has increased three-fold or six-fold, but what does that mean in concrete figures? A hundred times nought is still nothing.

I would remind you that in Great Britain we had welfare services for mothers and for children over 50 years ago, and the falling off in maternal and infantile mortality rates has been tremendous; they are only a tiny fraction of what they were 50 years ago. I cannot for the life of me see why people want to eat in canteens and have their children sent out to nurseries so that they can do the same hard job as men, without any of the joy of life to which so many of us look forward. I would also point out that the emancipation of women in Britain started very many years ago. When I was about 15 I was taking part in suffrage demonstrations and putting acid into pillar boxes. All that has passed and we have won emancipation. The women of Britain enjoy a higher standard of life than those of any other country, apart from the United States and Sweden. They have a very high standard of life, and I think I look as well dressed and as healthy and comfortable as people in any other country. On the board of my society there are six women. In political life, on the city council and in Parliament, and on co-operative boards of management everywhere thousands of women have been active for many years, and not merely just recently. I suggest that Mr. Klimov is talking about the 19th century and not the 20th, because in my country we got beyond all that half a century ago.

Mr. V. A. Fedorovich, U.S.S.R.: Dr. Bonow in his paper makes a series of statements about the position in capitalist countries. He says that in the "Welfare States" the Government does all it can to foster the well-being of the people and that in the capitalist countries there are all the attributes of democracy of the highest type. This is in entire contradiction to the well-known facts and in our view such statements are misleading and create the illusion among Co-operators of the West that the capitalist world is becoming a paradise for the workers, whereas in fact they are exploited by the bourgeoisie. Mr. Culbreth referred to the Welfare State in the U.S.A., but quite recently this was refuted by John Kennedy, the candidate in the presidential election, who said that there were some 70 millions who every night go to bed hungry. There are other facts which point in the same direction. For instance, 1 per cent of the population of the United States own 60 per cent of the assets of the country, whereas 87 per cent of the population possess only 8 per cent of the assets. In 1956 in the Federal Republic of Germany there were 268 strikes, and in 1958 there were 1,483. In the U.S.A. there are over 2,500 strikes annually. That is a picture of the capitalist world, of these so-called Welfare States that claim to have an abundance of everything. There are 8 million unemployed in the capitalist world.

What is the conclusion that we should draw from all this? The statement that in the capitalist world Co-operation is working in conditions of abundance bears no relation to reality; it simply serves to veil the glaring contrasts. It is intended to create among co-operators the illusion of living in a state of justice without monopolies, where there is no longer any need to struggle for a higher standard of living and better conditions for the workers.

Mr. F. F. Rondeau, U.S.A.: I regret that as I had to leave my seat to come to the rostrum I was not able to hear all the remarks of the last speaker, but I wish to make the comments which I had in mind prior to the speech which he made. I want to join with my colleague, Culbreth, in complimenting Dr. Bonow on a very comprehensive and indeed a brilliant paper, one of the finest that we have had at this Congress. He has again brought to our attention the basic ideals, the basic purposes and the ultimate objectives of our entire co-operative movement, but along with that he has, in a way which is typical of his thinking, given us a view of the realities of the world in which we live and of the methods which we must adopt to bring about the realisation of our ideals.

I should like to address a few comments to that section of the paper with which I am most familiar and which deals with co-operative insurance, and this is related to the part of the resolution appended to the paper which deals with finance. I feel that this whole area of co-operative insurance is one which is essential to our whole co-operative effort, be it within our respective countries or from a world point of view. I wish to touch on four or five points where I think that co-operative insurance can and does make an essential contribution and deserves the constant attention of co-operators in all sections of the movement. This is not the time to engage in a tactical discussion, and so I shall make these points quite simply.

First, it has been amply demonstrated, I believe, in almost every country where co-operative insurance has had a firm beginning – and I am thinking of Britain, Belgium, Sweden, Norway, and other countries as examples – that in the field of co-operative insurance we can, in competition with private companies larger and older than we are, provide better service at less cost. Not only can we do that in competition, but many times we can lead the way. Another significant contribution that co-operative insurance can make is to provide yet another avenue

through which to bring people into the co-operative fold by the very nature of the operations of an insurance enterprise. A third area in which an important contribution can be made and has been made is in the field of finance. Here, too, I think that we have a great opportunity, through the successful operation of co-operative insurance enterprises, to supplement our whole co-operative effort by the use of those funds to promote co-operative development. We can show in our area that we have some of the most modern supermarkets because co-operative insurance was there to help with finance.

The fourth area in which co-operative insurance can make a real contribution is in practical international collaboration in co-operative reinsurance. In the discussion yesterday Mr. Lemaire, in making his report on behalf of the Co-operative Insurance Committee, indicated the extent to which reinsurance was now being exchanged on a co-operative basis between countries and also indicated that more was going to be done and that the matter was being studied to see whether or not we could improve the extent to which co-operative reinsurance was exchanged between countries.

Here we have four areas in which I feel that co-operative insurance is making a real contribution, and a practical one, towards overall co-operative development, giving better service at less cost, bringing people together and bringing more people into the co-operative fold, helping the financing of co-operative enterprise in other fields of activity, and a very practical area in which we are engaged in international collaboration. In our section of the U.S.A. we always like to think of our various types of co-operative as being small separate compartments of what we call the one co-operative household. Because of the very important contribution which can be made through co-operative insurance I feel that it should have the complete support of all co-operatives, and it can and should play a more prominent role in overall co-operative development.

I repeat on behalf of the United States delegation that we are delighted to support Dr. Bonow's paper and the resolution appended to it. Even though there may be here and there differences of opinion, the paper is so basic and so important for the future of our movement that it would be a fine thing if we could adopt the resolution unanimously at this Congress. It would be a fine way of winding up the 21st Triennial Congress of the I.C.A.

Mr. A. Morand, France: For some time now we have been talking about international co-operative trade, but we are forced to say that nothing much has come out of it. In this excellent paper Dr. Bonow deals with this important question and urges that decisions should be taken in order to render more effective the whole of our co-operative action. We all know that international private enterprise groups are now being organised in the most powerful manner to deal with essential products. Today the great producers are trying to enter distribution channels in order to be sure of finding a market for their goods. Vast sums are spent on publicity to attract the consumer. In this situation the co-operative movements of the West should collaborate much more closely. Dr. Bonow suggests that we should set up international co-operatives for purchasing and also for production. The idea is very attractive, but I think it will not come into being for a long time and after a great deal of study, but the time available is getting short. We should be in a position to act quickly on the basis of the present structure of the co-operative central organisations.

It is for the wholesales of a given country which import and export on a large scale to set up an agency of their own in the countries with which they do business and have a permanent representative there. That would make effective collaboration between wholesales much easier, and private traders need not be employed. We can visualise having agents from Germany, Switzerland, the Benelux countries, the Scandinavian countries, and the U.S.S.R. From the recent report of the Wholesale Committee we learn that these countries exported to France last year considerable quantities of goods, but the French wholesales know nothing about all this. This lack of co-operation should not be. We believe, therefore, that Congress would be well inspired if it were to welcome with sympathy our modest proposal, pending the coming into being of the plans for the future outlined by Dr. Bonow.

The President: That concludes the discussion and I now call on Dr. Bonow to reply.

Dr. M. Bonow: It is a very agreeable task for me to reply to the discussion which has taken place. It is obvious that a paper, such as that which I have presented, cannot fulfil a more useful function within our movement and in this big international Congress, in which the most important people from the different co-operative movements take part, than to stimulate debate about these very important matters for the future of our co-operative movement. I am thus very happy that so many delegates have taken part in the debate and that there have been so many constructive and supplementary points of view expressed. A paper such as this, even though it be voluminous, cannot be more than a framework, and the problems have to be studied further.

Before I reply to some of the points which have been raised in the debate I wish to mention a publication which has been issued by the *Centrosoyus* publishing house in Moscow, giving information from the Central Union of Consumer Societies of the U.S.S.R. I feel honoured that it devotes a number of pages (pp. 8-12) to my paper. It is sent out as a means of giving information to co-operators all over the country. The title of the section dealing with my paper is, "Prescriptions by Mr. Bonow and Reality." I am not going to deal in detail with it, but there is a general instruction here that in their speeches delegates should take marks off both the author of the paper and other apologists for capitalism. I do not think that I deserve such severe criticism, and I am happy to find that the tone of the discussion by my friend Mr. Klimov, and to some extent other speakers, has been much more agreeable than that of this paper.

Very many of the speakers have congratulated me on my paper, and I feel that some of my friends have overdone their congratulations. I hope that the severe criticism which I received in this Moscow paper beforehand and the overdoing of the congratulations here will somehow cancel each other out and we shall have a proper balance. I think that Mr. Klimov agrees with that.

Mr. Klimov suggested in his speech today, but I fancy that it was a mistake, that there should be added to my resolution something about peaceful co-existence. I think it must have been in the haste of his speech that he made that remark. That proposal was made at the meeting of the Central Committee at Vienna, and I refused to agree. I said that I had nothing against peaceful co-existence, but that this had nothing to do with my paper. I have had, however, another amendment

from Mr. Klimov, who wishes to insert in the first paragraph of the preamble, among other things to which the Congress should have regard, "social and economic changes." I know perfectly well, and it has been brought out clearly in the discussion in Congress, that Mr. Klimov by adding these words has a special intention. He means them to cover the breakdown of colonialism and the emergence of new socialist economies in some countries and that sort of thing. He may put special emphasis on that, but I see no objection to inserting these words. Whatever the words used in a resolution they can always, of course, be interpreted in different ways by different national movements, and we have had previous experience of that. The interpretation given to a resolution by our friends in the Soviet Union and that given by some of the Western countries may differ considerably, but I have no objection to inserting these words. I therefore propose, to satisfy Mr. Klimov, and in the hope that Mr. Rondeau's wish is fulfilled and the resolution unanimously adopted, that in the first paragraph of the resolution, after the words "structure of economic enterprise," we should add the words "as well as the social and economic changes involved." That is all right, because we are not concerned only with technological changes but also with very important and far-reaching economic and social changes which have a direct bearing on co-operative enterprises.

There is another matter which I wish to mention here. In the second paragraph of the recommendations to the affiliated members of the I.C.A. the last words are "to combat and overcome the monopolistic exploitation of labour and materials." Dr. Malfettani, of the *Confederazione Cooperativa Italiana*, would like the wording to be "exploitation of labour, materials, and natural resources." That means energy and all other natural resources. I have taken the precaution of asking Mr. Klimov whether he would object to that addition, and Mr. Klimov and I agree that it should be made, so that I hope the Congress will agree also.

I now come to the discussion on my paper. I am not going into details about all the interesting comments which have been made, but there are a few points which I wish to mention. Criticism has been expressed from the Russian side of the idea of competition on equal terms between co-operative enterprises and private enterprises, and in some cases even State enterprises in the Western countries, in fields of economic activity where there is not a State monopoly or anything of that kind. I submit that that is a perfectly reasonable attitude to adopt in the Western countries, because in these countries we try by all means to have not only full employment but also effective employment of all materials and human resources. If you have competing enterprises, the yardstick with which you should measure efficiency cannot be tampered with by giving advantages to a greater extent to one form of enterprise in competition with another. This applies to Consumers' Co-operation in a number of Western countries. In the cases of Housing Co-operation and Farmers' Co-operation of some kinds, in connection with housing policy and agricultural marketing policy there may be some extra support given by the State to these types of co-operative without infringing on their right to decide their own affairs.

The other point made by Mr. Klimov is similar to that made in a report from him added to my Appendix A, replies from co-operative organisations to a questionnaire; but, if it is now a fact – and I do not doubt it – that Consumers' Co-operation in the rural districts and in some of the small towns has been able to render such very good service to the consumer, why should not the State authorities in the Soviet Union allow Consumers' Co-operation to render similar

valuable services in the big towns also, instead of having State shops? It is not fair to ask that question, because I have the last word, but it is more a rhetorical question anyway.

Mr. Degond gave some very interesting information about the very early process of amalgamation in France, and he referred to the possibilities of maintaining the interest of members. Here I should like to mention that some of the Canadian representatives said the other day that they thought my paper lacked a section dealing with this problem of membership, but that is not the case. There is a chapter headed "Democracy and Economic Effectivity," and a paragraph in the resolution recommending the affiliated members of the I.C.A. "to apply . . . the fundamental principle of democratic control by providing the maximum of opportunities for the active participation of the members." This is a very important problem, and it is growing still more important as the size of our co-operative enterprises increases.

With reference to what I said about Russia, I have been handed a note inviting me to see a great many large co-operatives in the big towns of Russia. I was thinking of the decree some years ago when co-operative shops in the towns suddenly disappeared and were turned into State shops, and of the similar development in Czechoslovakia a few years ago. That, however, is another matter; let us leave it there.

Reverting to the problem of democracy and membership, I know that in Great Britain a scientific study with practical aims has been introduced to come to grips with this problem. We have done exactly the same in Sweden and will present our findings in a preliminary way to the 1961 Congress there and will present what we hope will be a definite solution to the problem of strengthening democracy within our growing enterprises at the 1962 Congress.

Mr. Drejer pointed out some very important facts, which should have been more closely studied in my paper, concerning Agricultural Co-operation. I shall not go into that now because time does not permit, but I would use this opportunity to tell you that at the Agricultural Conference last week which was presided over by Mr. Drejer, Mr. Davidovic, the I.C.A. agricultural specialist, presented a very good and interesting paper dealing with the changing structure and its effect upon Agricultural Co-operation. We can thus see that one of the Auxiliary Committees of the I.C.A. has already begun a study along the lines suggested in my paper of the relations between the changing structure and the special field of co-operative activity in which it is interested.

Mr. Banchieri, of the *Lega Nazionale*, complained that I took too optimistic a view and was too subjective. He then delivered one of the most subjective appraisals that I have ever heard of the economic conditions in Western countries. He may have a one-sided view of the problem, but it is certainly not true of the greater number of Western countries that they are characterised by great unemployment and by very great difficulties of the type which he described. When he says that co-operators cannot hope through their own efforts to compete effectively with private monopolies in the Western countries I can only reply that there may be an exception in one country or another but that as a rule we are perfectly competent to deal with private monopolies and to see that the interests of the consumer are protected. I have dealt with the subject of how this should be done nationally, regionally, and internationally.

Mr. Serwy advocated more active collaboration within economic regions, and I agree.

Mr. Mayr, of the *Confederazione Cooperativa Italiana*, emphasised the importance of Farmers' Co-operation, and I agree entirely.

Mr. Meins, of Germany, had some very sensible things to say about the increased possibilities of international co-operative productive enterprises, and that was amplified by Mr. Korp, who made a very clear survey of the risks if the division of Europe into two economic groups should prove to be a continuing element in our economic structure. Ways and means must be found of turning this regional economic development gradually into a general trend towards freer and greater trade embracing the whole world.

Mr. Takov said much the same things as the representative of the *Lega Nazionale* about private monopolies, and the same answer applies to his remarks. There may be a special case for consideration in Japan, where real difficulties are encountered from the very strong monopolies there. I heard about this when I met the Japanese delegates at Kuala Lumpur. There is a very strong case there for some kind of support through the I.C.A. of the point of view expressed by the Japanese co-operators in their fight against legislation which gives the private monopolies in that country such a strong position in relation to the consumers.

Mr. Bajalica, of Yugoslavia, also spoke of the difficulties for democracy because of centralisation, but he had the wrong impression that the general recommendations which I give should be adopted in each country nationally. That is far from true and is not the intention at all. My paper tries to find a common denominator for problems which are of interest to a number of co-operative organisations in the Western countries. It may very well be that in some Western countries it will be a very long time before the structural tendencies found in many Western European countries are experienced, so that it is only a question of putting forward general recommendations for consideration by the different national movements in framing their own national co-operative policy.

I agree entirely with the remarks made by Mr. Jalava and have nothing to add.

Mr. Tatu, of Roumania, gave a quite untrue picture of the position in Western countries.

Mr. Subijakto, of Indonesia, pointed out that the technical assistance given to co-operative organisations channelled through the United Nations and the Specialised Agencies or through national governments or the I.C.A. should be given without any strings attached to it, and I entirely agree. I submit, however that the solution of this problem will to a great extent be that the technical assistance programme on the governmental plane will be taken care of by the United Nations and its Specialised Agencies such as the I.L.O. and F.A.O., and on the co-operative voluntary plane by the I.C.A. through its organs which we are now setting up.

Mr. Fedorovich, of the U.S.S.R., made some astonishing statements about poverty in the U.S.A. I have no reason to act as an advocate of their case, though I shall probably be accused of doing so if I state a few facts. I give in my papers some figures about the ownership of motor cars for personal use. Whatever index figures of consumption you choose to take you will find that the United States has the highest standard of life in the world. Canada comes close to it, and in Europe

Sweden, Switzerland, Great Britain, and some other countries, are fairly high up. To say that 70 million Americans go hungry to bed every night is preposterous. It cuts no ice in any country where there is a possibility of reading the newspapers, newspapers which are not controlled by State authorities. I put this question to Mr. Klimov, not to make him angry, because we are trying to agree on this matter, but just as a friend to another friend. If the position of the U.S.A. is so terrible in all economic respects as has been suggested, how is it that Mr. Krushchev in one speech after another puts forward as a goal for the U.S.S.R. to beat the production figures and the standard of life in the U.S.A.?

I am coming to the end of my remarks, and I have saved Mr. Culbreth as the last speaker to whom I wish to reply. He rightly pointed out that there must be a third level programme within Co-operation. We must aim not only at economic efficiency and commercial activity but at developing the personal aspect, the human aspect. I have tried to say something about this in the chapter of my paper headed, "Democracy and Economic Effectivity," but it is not sufficient. I shall conclude by a quotation, which is in the nature of an affirmative reply to the point of view which Mr. Culbreth expressed, from a poem written by a Swedish poet who quotes an old Chinese philosopher, Li Chi. "If you have two coins," Li Chi said, "buy a piece of bread and a flower. The bread that you buy will enable you to live, and the flower means that life is worth living." I submit to you that we ought to be inspired in our co-operative activity not only by the desire for commercial activity but by something similar to the inspiration of Li Chi when he wrote those words. (Applause.)

The President: There is no need for me to add to your applause in expressing our appreciation to Dr. Bonow. We shall now take a vote on the resolution appended to his paper, with the amendments which he has accepted.

A vote was taken by show of hands.

The President: I declare the resolution, as amended, carried unanimously.

Resolution

The 21st Congress of the International Co-operative Alliance -

having regard to the rapid progress of technological and applied science today and its effects upon the structure of economic enterprise as well as the social and economic changes involved;

also the widespread acceptance of the welfare and prosperity of all as the true object of economic activity;

and recognising the necessity of adapting the activity and objectives of the Co-operative Movement to the changes now taking place with a view to employ all resources in materials and personnel in such a way as to ensure their most effective utilisation -

Recommends the Affiliated Members of the I.C.A. -

to co-ordinate the activities of their organisations at all levels so as to obtain the maximum of efficiency in the fields of production, distribution and finance;

to utilise co-operative resources and methods in all countries to the fullest possible extent, by expanding the activities and thereby increasing the influence of the National Co-operative Movements, by the rapid promotion of increased international co-operative trade, including trade with developing countries, and in all possible ways to combat and overcome the monopolistic exploitation of labour, materials, and natural resources;

to take advantage of every opportunity of promoting international enterprises jointly owned and operated on co-operative principles;

to apply throughout this process of adaption, the fundamental principle of democratic control by providing the maximum of opportunities for the active participation of the members;

to exert all their influence upon economic policy, legislation and social development so as to secure to the Co-operative Movement freedom of action and expansion and the application of the co-operative idea to economic and social problems.

The Congress -

Instructs the Central Committee to support, through the I.C.A.'s Auxiliary Committees and the expansion of its own services, the efforts of the affiliated Organisations to implement these recommendations; and

since the necessary adaption to social, technological and economic development cannot be fully attained without co-ordinated international action -

Urges the Central Committee to take the initiative in promoting closer contact with the United Nations Organisation and its Specialised Agencies, as well as with other International Non-Governmental Organisations having similar aims to those of the I.C.A., with a view to united efforts to liberalise trade, and to develop unused economic resources to the betterment of living standards throughout the world.

Amendments to Rules

Proposed by Affiliated Organisations

Article 3.

The President: We shall now take the amendments to the Rules proposed by affiliated organisations. The Co-operative Union of Canada has proposed an amendment to Article 3.

Present Text of Article 3. Objects.

The I.C.A. shall have the following objects –

- (a) To be the universal representative of Co-operative Organisations of all types which, in practice, observe its principles.
- (b) To propagatē co-operative principles and methods throughout the world.
- (c) To promote Co-operation in all countries.
- (d) To safeguard the interests of the Co-operative Movement in all its forms.
- (e) To maintain good relations between its affiliated Organisations.
- (f) To promote friendly and economic relations between the Co-operative Organisations of all types, nationally and internationally.
- (g) To work for the establishment of lasting peace and security.

Mr. R. S. Staples, Canada, proposing the amendment: The amendment which we propose to Article 3 is to delete paragraph (g) and to re-word paragraph (b) to read –

“ To work for the establishment of lasting peace and security by propagating co-operative principles and methods throughout the world.”

The effect of the amendment would be to limit the range of subject-matter to be considered at meetings of the governing bodies of the I.C.A. in order that greater attention may be given to those questions which lie within the competence of co-operatives. The amendment is not intended to preclude discussion on, for example, direct practical co-operative aspects of peace, but it would make discussion of the abstract question of peace or the indirect use of Co-operation for other purposes out of order.

In our opinion, the I.C.A. should exist for the purpose of setting the co-operative course and to keep co-operatives on that course, rather than as a forum for the discussion of international politics and various political systems. The main reasons for which we advocate this amendment can be summarised as follows –

1. The I.C.A. needs all the time available at its meetings for pursuing its proper purposes. It often occurs to me as a detached observer at our meetings that the I.C.A. is partly paralysed by its inability to get down effectively to the business in hand. A tragically high proportion of meeting time is used in fighting for position for ends which are not co-operative.

2. Manoeuvring not related, or only very indirectly related, to Co-operation uses up our energy as well as our time. Those who should be the creative leaders of the I.C.A. find it necessary to expend so much of their energy in making or replying to political propaganda that they have not as much strength left as they should have to build co-operatives around the world.

3. There are not many subjects on which the people of the world can unite. Co-operation is one of the few. We would disagree on a common language or political system or religious belief, but to a surprising extent we can agree on Co-operation when we keep firmly to that subject. It is usually when we stray away from that subject in our meetings that we get into trouble.

4. Discussion on other than co-operative subjects often leads to recriminations which create bad feeling among us, stirring up prejudice, kindling suspicion, and making it difficult for us to work together even on co-operative development.

5. The I.C.A. is such a poor instrument for dealing with international problems on a political level that the result is likely to be ineffective. We are all in favour of peace, but our resolutions on the subject must be of rather a general nature. Exhortation is not the most effective way of influencing human behaviour.

6. The co-operative message is of tremendous importance to mankind, but as that message is carried away from meetings of the I.C.A. in our minds and hearts it is often so confused by unnecessary non-co-operative matters that much of it is lost. The I.C.A. is *the* international organisation dedicated to the cause of peace. This is a tremendous opportunity in itself. The impact of our conclusions can be very much bigger if it is undiluted. Our leadership should be clear and strong.

7. Peace and disarmament and the relative merits of political systems are certainly proper subjects for discussion, but not in the I.C.A. Why should we divide our co-operative forces in such a way? There are other forums for such a purpose – the United Nations, political parties, workers' and farmers' organisations, and perhaps the Women's Guild – but the I.C.A., with its delicate political balance and its tremendous responsibilities to work for a co-operative world, will only cast impediments in its own way by emphasising such subjects. Furthermore, the greatest contribution which the I.C.A. can make towards peace is to develop Co-operation, which, as all members of the Alliance have acknowledged, is intended to provide neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common. People can learn to understand each other best by working together. In the application of co-operative principles lies the best hope that humanity has of modifying the aggressive or regressive tendencies of the powerful political and economic systems around us; and, believe me, modification is necessary if we are ever to attain the economic democracy towards which we believe that our co-operatives are striving.

I am quite well aware that some people may say that this amendment indicates that the I.C.A. is no longer interested in working for peace. On the contrary, it means that the I.C.A. will continue to work vigorously for peace in a somewhat different but considerably more practical way. I plead for support for this amendment. I feel that if it fails it will be because those who think that it goes too far will be teamed up with those who think that it does not go far enough. We only ask for one small step to be taken in the direction indicated. I am under no illusion and I recognise that the amendment will work no miracles. No such simple step will immediately solve the problem, but with this amendment and with careful

attention to meeting procedure, and with the useful saving of time involved, the I.C.A. can become a tremendously powerful instrument for the betterment of the human race.

Mr. C. Mateesco, Roumania: Any co-operator in the world who is conscious of his obligations towards society must realise that it is not enough to publicise co-operative principles, as has been suggested. We must go further. Even the co-operators of Canada cannot believe that we can fight for peace only through co-operative methods. We must use other methods also. There are 350 million co-operators in the world, and the I.C.A. cannot limit its activities to co-operative principles alone, but must join with other organisations in order jointly to fight for the maintenance of peace. Co-operators who are interested in a durable peace must recognise this fact. We know that it is only in peace that Co-operation can grow. It is indispensable, therefore, not to restrict ourselves to the co-operative method, because we are faced with dangers to peace. We are not living in a peaceful period, and the maintenance of peace must depend on our common action. It is only peace that can bring to humanity social progress. We are therefore against the amendment proposed by the Co-operative Union of Canada and in favour of the present text of Article 3, which correctly reflects one of the main aims of the Alliance.

Mr. N. P. Abramenko, U.S.S.R.: In Article 3 of the Rules of the Alliance it is stated that one of the aims of the Alliance is "To work for the establishment of lasting peace and security." The Canadian Union proposes that this point shall be deleted from the Rules. Can anyone agree with that? Throughout its activity the Alliance has always been very concerned with the maintenance of peace, because it is only under peaceful conditions that the co-operative movement can meet with any measure of success. Co-operators are very well aware of what happens when there is a war. We all remember the sad fate of Co-operation in Yugoslavia, Czechoslovakia, and other countries which were devastated in the second world war. The great mass of co-operators recognise that complete disarmament is necessary to establish peace in the world, which will make possible a considerable improvement in the conditions of the workers throughout the world.

The aggressive circles in capitalist and imperialist powers that have a stake in the armaments trade wish to keep tension going in order to poison the international atmosphere so that the cold war can turn into a hot war, and it is the duty of all of us to make our voices heard on behalf of peace; but what does the Canadian Union propose? It proposes that we should delete from the Rules of the Alliance one of the most important provisions contained in them, that the aim of the I.C.A. is, "To work for the establishment of lasting peace and security." The amendment provides that we shall do this only by propagating co-operative principles and methods throughout the world. This, of course, will help, but it is not a good thing to confine our efforts for peace to this alone. The Canadian proposal is contrary to the traditions of the Alliance and means that we must abandon the appeal to the Governments and to the United Nations. It means that we must give up any joint activities with other organisations interested in peace. This would certainly render a great disservice to the cause of peace. At the last Congress we adopted unanimously a resolution on peace and on the creation of the ideological and social conditions which would render it impossible for another war to break out, and we demanded the limitation of armaments of all types and the total prohibition of weapons of mass destruction. This would be impossible under the Canadian proposal, and therefore we cannot accept it.

Mr. J. Voorhis, U.S.A.: I wish to point out that the Canadian amendment does not propose that we should cease to work for peace; on the contrary, the proposal is that we should work for peace, and for lasting peace, in the most effective single way in which members of the Alliance can do so, namely by propagating co-operative principles and methods throughout the world. None of us as individuals and as citizens of our respective countries has a single task which is as important as working for a peace which will spare mankind the horrors and miseries of war, but the Canadian proposal seems to us to be understandable and realisable. It says we should work for peace in the ways most appropriate for the Alliance. If we could observe the spirit of the Canadian proposal it would save us a great deal of time.

Mr. M. J. Légère, Conseil Canadien de la Coopération, Canada: I am happy to support the amendment proposed by the Co-operative Union of Canada. We believe that this amendment would lead to the disappearance from our deliberations of an element of disagreement. Frankly, as a newcomer to the Alliance I am scandalised by the way in which certain delegates treat the Rules of the Alliance, and at the end of the first day of Congress, on Monday, my first impulse was to return to Canada where we are accustomed to regard Co-operation as one thing and politics as quite another. The Alliance should not become another United Nations, where there is the most complete lack of unity; on the contrary, the Alliance should give all humanity a lesson in fraternity and mutual respect. We should leave it to the statesmen to settle political differences and we of the Alliance should deal with our own problems, feeling sure that Co-operation in itself has all the answers and all the necessary features to ensure lasting peace for humanity. That is precisely what is said in the amendment, which would give as an object of the I.C.A., "To work for the establishment of lasting peace and security by propagating co-operative principles and methods throughout the world." That is an amendment which we as co-operators should support, and by doing so we shall greatly help to ensure for the Alliance a future rich in co-operative achievement.

The President: A card vote will be taken on this amendment, for which, as an amendment to the Rules, a two-thirds majority will be required.

The result of the card vote, announced later, was -

For the Canadian motion	380
Against	817

The President therefore announced that the motion had not been adopted.

Article 5.

The President: While the votes are being counted we shall take the amendment proposed by the Argentine to Article 5, that Spanish be adopted as an official language.

Mr. E. U. C. Martinez, Argentina: I beg to move the amendment. We have listened with great interest to what has been said here about the promotion of Co-operation and technical assistance for the under-developed countries, and particularly for Latin America. We feel that it is very important that efforts should be made to obtain first-hand information on the position in Latin America, but we

believe that in order to discharge this task it will be essential to use the Spanish language, and that Spanish should be an official language of the Alliance to cater for the entire Latin American world. We should take into account the 23 nations that speak Spanish, 20 in Latin America, two in Europe, and one in Asia. We have also to realise that Spanish is the official language of the whole American continent south of the United States.

My country has been the scene of great co-operative development. We have 3,700 co-operatives with over 2,000,000 members, 25 federations and a confederation having as members almost all the agricultural co-operatives. There is also a confederation of co-operatives made up of all the federations of co-operatives. Our co-operative movement is in touch with the movements of other Latin American countries and great developments have taken place. At this Congress a representative of the movement in Colombia spoke of the co-operative movement in that country and gave us an idea of its importance.

In my view the I.C.A. has a great task to perform in the Latin American countries. It should not leave them to themselves but should do systematic work there and do it quickly. We in the Alliance must help the co-operative movement in Latin America and must work as we have in Asia. I believe that the Alliance will do this, but we feel that in order to do it efficiently the Alliance should include Spanish as one of its official languages. We believe that that is indispensable. It is unfortunate that Congress did not take advantage of the opportunity to listen to Mr. Fernando Chaves Nuñez of the Organisation of American States, who in its co-operative section has done very important work in Latin America and collected documentation and statistical information, documentary films, and so on, and he could have told us a great deal about the situation. If the I.C.A. wishes to achieve its purpose in Latin America it must take account of what has been done by the Organisation of American States, which has already done very important work there. We should base our action on this work, and we should adopt Spanish as one of the official languages of the Alliance. I think that if we realise the importance of getting in direct touch with the peoples of Latin America in their own language we shall all support this amendment.

Mr. Valenza, Italy: The *Confederazione Cooperativa Italiana* warmly supports the amendment. Spanish is a very important language and is used in very many countries.

Mr. M. Miller, U.S.A.: I come to the rostrum to ask the officers of the I.C.A. a question in relation to this problem. I suppose we all recognise that if the co-operatives of Latin America that we expect to have as members in the near future were members now we should have no doubt about the necessity of having Spanish as the fifth official language, but we are concerned with the position as it exists at this moment. Would it be possible to print some of our documents in Spanish now for our existing Spanish-speaking members and those that we want to bring in, and postpone action on the adoption of another official language until after the survey which has been planned by the Technical Assistance Sub-Committee?

The Director: As I told the members of the Central Committee when this question was discussed, there is nothing to prevent the I.C.A. from using Spanish as a working language, though not an official language in the sense of the Rules, whenever that is necessary or desirable in the interests of our work. I can assure

Mr. Miller that when the circumstances are such that we need to use the Spanish language or think it desirable to do so in our contacts with Spanish-speaking co-operators its use will be very sympathetically considered.

The President: This question has been submitted to the Executive and to the Central Committee. The Central Committee feel that there is no reason in principle why this should not be done, and very likely it will soon be necessary to adopt Spanish as an official language, but at the present time only four Spanish-speaking organisations are members of the Alliance. The adoption of an additional official language means a great deal of cost for interpretations and translations as well as in other ways. Although, therefore, the Committee were in favour of the principle they felt that this was not the moment to adopt it. We are all aware of the great effort which we hope to make in Latin America, but this can be done without having another official language. After the action which we propose to take in Latin America the question can be considered again. The Central Committee feel that if the motion is pressed it will be necessary to take a card vote.

The result of the card vote, announced later, was -

For the Argentine motion	456
Against	764

The President therefore announced that the motion had not been adopted.

Resolutions of Affiliated Organisations

The Duty of the Co-operative Movement to Women.

The President: We shall now take the resolution submitted by the *Lega Nazionale* of Italy on the Duty of the Co-operative Movement to Women.

Mr. G. Cerreti, Lega Nazionale, Italy, proposing the resolution: After the very important work which has been done so far by the Congress, I ask you to allow me to submit this resolution, submitted by the *Lega Nazionale*, on the duty of the co-operative movement to women. I am tempted to resort to poetry in order to develop this subject, but I know that our time is limited and I shall be brief. Women in our world, and especially working women, are confronted with a great number of tasks, and the emancipation of women has not yet been a complete success everywhere. We must recognise the position of women in society today and we must be just towards women. We see the role played by women from Moscow to Paris and from Stockholm to Cairo. In Rome we have still some progress to make. The role of women is no longer what is used to be; the world has changed, and our co-operative movement has changed, too. Women are no longer simply housewives; they are partners in our activities and they deserve to be on an equal footing with men; they deserve to receive the same wages and the same consideration as men.

This is an aim which has been realised in many countries, but there remain a large number of countries where women do not enjoy the same rights as men. The mothers of our children must be recognised for what they are, the partners in our lives. The co-operative movement can no longer speak to women in the language used for children. If we want to work for freedom and progress and to satisfy the needs of the family we must give to women the position that they deserve and we must recognise the important role of women in the modern family. The problem of the role of women in Co-operation must be solved by giving to women the same rights as men, to enable them to work for peace and social progress in the new world which is coming into being. We all desire to see the aims of our movement realised all over the world, and that can be done only by giving women the same rights as men.

It is the duty of the national movements to study all the decisions taken by this Congress. We have to consider the position of women from another angle than that of members of co-operatives, but we must recognise that more and more women are active in our movement, both in the countryside and in the towns. We must make use of this reservoir of goodwill. We know that when women take up a cause they devote to it all their resources of heart and mind. Women today can be a great source of strength to the development of our movement.

There are, we know, certain points in this resolution which are capable of improvement, and the English translation is perhaps not quite in conformity with the original text. I understand that there is a sentence missing in the English text, and in the second paragraph it is perhaps necessary to indicate more clearly that we want the same rights for women as for men. Certain improvements should be incorporated in the text, and we hope that Congress will accept these emendations. We have already discussed this problem of the position of women amongst ourselves in Italy. I hope that this resolution will be unanimously adopted and that it will be implemented.

Mrs. E. Widhe, Sweden: The women of Sweden are in full agreement with the aims of this resolution, but we do not want co-operative education to be divided on a sex basis, and we want to speak not of the elevation of women but of the elevation of mankind. The co-operative movement is built upon the equal partnership of men and women and the responsibility is a joint one. This is the firm foundation of our movement. There are, of course, some educational activities which are specially addressed to women, and among these is the question of the health of consumers. In the field of the protection of the family and the important work of medical rehabilitation a close collaboration between the Swedish Co-operative Women's Guild and other women's organisations has been established and has given good results in increased activity in these respects. I mention this merely as an example.

We agree with what is said in the resolution, that the co-operative movement must to a greater extent than has hitherto been the case and in a deeper sense make use of the experience and the contribution of women. The aim of Co-operation is to protect the interests of the consumers, and this aim is of the greatest importance today. This fact is also recognised outside our movement, and the establishment of consumers' associations in various countries and even on an international basis is a testimony to this. The co-operative movement must therefore extend its activity in the field of consumer research and consumer protection and education for the benefit of the family.

Mrs. G. Ziegler, Switzerland: I welcome very happily but with a certain surprise this resolution from the *Lega Nazionale*. We are happy about it because the *Lega* seems to be in earnest about the status of women; on the other hand we are surprised to think that today it is still necessary to point to the duties which the co-operative movement has towards women. We have always taken a great part in our co-operative movement because it has been recognised that all members have equal rights and equal responsibilities also. It is therefore almost shame-making that after nearly forty years of work by the International Co-operative Women's Guild we should have to call on people to support such a resolution as this. It seems that it is not appreciated everywhere in our movement that women co-operators should be given equal rights. A great deal of more positive work could be done in Co-operation if only it were recognised everywhere that the force which women represent should be utilised to the full.

Women today realise and approve of their changed situation and the possibilities of shouldering their responsibilities and doing their share of the work. They do not seek to compete but they want to co-operate. It is not a question of the woman belonging to the house and the man to public life; they have joint responsibilities in every walk of life. If co-operatives do not make use of the help of women, women will accept the offer of other economic undertakings which really want the co-operation of women. It is not sufficient, therefore, merely to adopt this resolution unanimously, nor it is sufficient to show good will for co-operation. What we need now is an earnest effort to achieve real co-operation with the women members of co-operatives.

Mrs. C. Detrixhe-Ancion, Belgium: For many years in our co-operative movement women co-operators, and men who have understood the importance of the work of women in the development of our co-operative institutions, have presented resolutions similar to this one at the national and at the regional level.

Usually these resolutions have been accepted, but unfortunately they have been only more or less applied, and less rather than more. What are the reasons for this? Presumably they were many, and probably they were the same reasons everywhere; but in my view the only reason that today we have still to consider resolutions of this kind is that both men and women have continued to nurse their complexes, and the result is that today we are still in the stage of recommendations.

That Italy should re-think the problem at this high level is something that I warmly welcome, and I thank the *Lega* for doing so. It would be useful if at this Congress this resolution were regarded as an urgent appeal. Times have changed and continue to do so every day, as we have been told many times during this Congress. Let us adapt ourselves to our circumstances. I suggest that the phrase of the Italian resolution beginning "recommends national affiliated organisations to collaborate closely" be replaced by the words "considers it essential that national and international organisations should collaborate closely." If the Alliance had the authority to do so. I would ask that the words "rules that" be used instead of "considers," but I know that it has not. In any event, I appeal to you, not from a feminist standpoint, which has no place in this Congress, but as a co-operator, to achieve something more this time, and if, for any reason, the amendment I have proposed cannot be accepted, I wish to record my whole-hearted support of the resolution as it stands.

Miss G. Di Carpegna, *Confederazione Cooperativa Italiana*: I have examined with interest the text of this resolution submitted by the *Lega Nazionale* and have listened attentively to the speech of Mr. Cerreti. I am a member of the *Confederazione Cooperativa Italiana*, and, as you know, the two Italian co-operative organisations do not always agree, because of their different ideological principles and their different interpretations of the co-operative spirit; but I hope that on this occasion we shall vote in favour of the resolution proposed by the *Lega*.

Agreement among women is not always easier than among men. The *Confederazione* has tried to promote the activity of women as much as it could, but, although we have had some success in the organisation of women workers' co-operatives, and also in establishing welfare co-operative activities, for instance in the educational sector, we cannot say that we have achieved solidarity among women in the general field, or in consumers' co-operatives, where it is particularly necessary. In view of this experience, we do not think that the title of this resolution should be "The Duty of the Co-operative Movement to Women," because we cannot accept the idea that the co-operative movements have not already in all countries adopted a sympathetic attitude towards women co-operators, and secondly because if there are duties of the co-operative movement towards women there are also duties of women towards the co-operative movement. It is in fact useless for the wives, sisters, and daughters of co-operators to complain about increases in price or about the qualities of goods if they do not give up some of their time to collaborating with consumers' co-operatives. We suggest, therefore, that the title of the resolution should be "Women and the Co-operative Movement," or else "Women in the Co-operative Movement." I prefer the latter.

From a general point of view I feel that it is my duty to suggest another amendment. The penultimate paragraph reads -

"It is in such a way that co-operation will give voice to the reality of its 'living forces,' by contributing largely to the creation of a world of progress and social justice, in which one will no longer speak of under-developed countries or regions."

It is a bit far-fetched to say, "It is in such a way . . ." It sounds as though there were no other way to prove that Co-operation is a living force. I suggest, therefore, that this be eliminated, and that in the last paragraph the words "It is in such a way" be also deleted.

Mr. E. U. C. Martinez, Argentina: I feel that it is opportune to inform Congress that the movement in my country has always been very interested in the problems of women's emancipation, including economic activities, and in Buenos Aires there was held last April, within the framework of the United Nations, a very important world conference on women's rights. The Alliance was represented at this conference by two Argentinian women co-operators, and a series of very important decisions were taken with the participation of our own delegation for the social, political and economic emancipation of women and for giving them full rights.

Mr. Ch.-H. Barbier, Switzerland: I should like very warmly to support this resolution. Several of the women who have spoken have emphasised that it is sad to have to say these things again today, and that in principle it was all wrong that the world should be divided into men and women. They are quite right; it should be possible for these things to be taken for granted; but, when things are not taken for granted, it is essential to say them again and again. There is no need for us to be very observant to realise that the duties of the co-operative movement towards women are not fulfilled as they should be today. I have merely to ask you to look at the male assembly which this Congress predominantly is. Among the delegations I am very happy to find that for Great Britain, 35 per cent of the delegates are women. For the U.S.S.R., the figure is 27 per cent, and then we suddenly drop to the Swiss level of 14 per cent. For the German delegation it is 11 per cent, for the Swedish delegation 10 per cent, and then the percentage slumps again to an infinitesimal figure which I hesitate to mention. Seven delegations have only one woman representative and 19 have none at all.

It may be said, of course, that many of the delegations here are small, consisting only of one, two, or three people, but you see what is in our minds; when there are only two or three representatives we tend to think that of necessity they must all be men. That is the idea in our subconscious. I am not going to accuse our movement of being more blind than the remainder of society. The representation of women in this Congress corresponds exactly to the place which we give to women in the co-operative movement, and we ought to realise that we suffer from very grave under-development in that respect. A society which does not know how to make use of its living forces, a society which believes that it can progress while relegating only minor duties to women and young people, is a society for which there is no hope. Our co-operative movement ought to examine its conscience carefully.

I was speaking the other day about the World Conference on Adult Education organised by UNESCO. It was a source of lively satisfaction to me there to see that with 52 countries represented, one-third of the representatives were women. Educationists are in advance of co-operators. If we were educators, as we claim to be, there would not be this difference between what we claim to be and what we actually are. I remember as a child hearing serious men discussing women and saying that they were well able to do this and that but that in the arts and sciences they would never be equal to men. Today among writers, painters, sculptors, and architects, and in large scientific teams, there are just as many women as men. If

our movement is to be a living movement we shall each of us in our own organisations have to take the necessary steps to see that from the lowest to the highest rung of the ladder we give responsibility to women. Our movement is well suited to the activity of women. The Rochdale pioneers may be forgiven for setting a bad example – 28 men and not a woman among them – but those were different days. Had their movement taken place today they would certainly have been much more progressive than we are.

Mr. G. Cerreti: I wish to thank first of all the women co-operators who have spoken on this resolution, which we have presented to create the true co-operative spirit necessary to secure that equality of rights which is provided for in our Rules, and because we realise today how much we need the help of women. I agree with Mr. Barbier that it was many decades ago that equality of rights was proclaimed, but how many women are members of the administrative boards of co-operatives? Why do not we have more women delegates at our conferences?

I think that the future of our movement lies in the hands of the women and the young people. They are the living force in our movement, and that is very well represented in the I.C.A. by Miss Polley. We want not merely to pay a tribute to Miss Polley but to point to her as an example of the necessity of bringing women as a living force into the work for Co-operation.

I believe that the difference between us and our friends of the *Confederazione* is a difference only of interpretation and not of attitude. In the final draft of the resolution I shall try to take into account what the representative of the *Confederazione* said, but we cannot change the title, because that would change the entire bearing of the resolution. It is not merely a question of women in the Co-operative movement but of the attitude of the movement to all women. I fully understand the position of the Scandinavian women and will try to see that the necessary amendments are made to the resolution. I also agree with what Mrs. Ancion said. To Mrs. Ziegler, of Switzerland, I would say that it may be a pity to continue talking about women, but how many writers and painters will continue to describe and draw women?

The President: A few amendments have been suggested which do not affect the substance of the resolution and which have been accepted by Mr. Cerreti. We will vote on it by show of hands.

A vote was taken by show of hands.

The President: I declare the resolution carried unanimously.

Resolution.

The 21st Congress of the International Co-operative Alliance considers that in a world of rapid evolution it is the duty of the Co-operative Movement to work in an increasingly effective way, by its own means, methods, and activity, for the elevation of the conditions of the woman, so that the present-day profound economic and social changes shall favourably influence her position in the household, the family, and society.

Considering that the Co-operative Movement recognises: 1. the equality of rights without discrimination of sex: 2. the considerable contribution which Co-operation can bring to the education of the woman as a mother, housewife, and citizen: 3. the function of the woman to guarantee the democratic control of Co-operative Societies, the development of links between the Co-operatives and the consumers with a view to the constant advancement of the Co-operative Movement -

The Congress -

Stresses that methods by which Co-operation can intervene on behalf of the woman are many and affect all fields of co-operative activity. The essential elements of co-operative policy, which has to satisfy more and more the present-day demands of the woman in her home, her work, and in society, are the defence of the family budget, education, information, and defence of consumers, social services to help the housewife by the modern organisation of her domestic life, professional qualification, the stabilisation of women's work in agriculture as well as in all forms of artisanal production;

Considers it essential that the national and international Organisations collaborate closely with all Women's Co-operative Organisations for the realisation of such a policy and, to this end, to encourage the training of militants and their admission to posts of responsibility at all levels of Co-operative Organisation.

In this way Co-operation will most effectively manifest the reality of "its living forces," by contributing largely to the creation of a world of progress and social justice, in which one will no longer speak of under-developed countries or regions.

It is in such a way that Co-operation will re-group its new forces for the establishment of Peace, which is the preliminary condition for its development and the final aim of all co-operative activity.

ELECTION OF THE CENTRAL COMMITTEE.

The President: We shall now proceed to the election of the members of the Central Committee.

The General Secretary: The election of the Central Committee is a formal matter on the Congress agenda, but I think that on this occasion a few words of explanation are necessary in view of the amendment of the Article in the Rules dealing with this point. The secretaries of the national organisations will remember that by a decision of the Executive we asked them to send in nominations for the Central Committee for the number of representatives to which their respective organisations would be entitled under the Rule as it existed until this week, and for the number to which they would be entitled under the amendment to the Rule. In order that you may know that everything was done correctly in the secretariat I would inform you that we had two lists printed, one according to the Rule as it existed before amendment and the other according to the amended Rule. You have had distributed to you the list of nominations on the basis of the amended Rule.

Representation, as you know, is now based upon subscription. The number of representatives which each member organisation was invited to nominate was calculated on the full subscription which the different organisations would be required to pay under the amendment to Article 18. It is obvious that there will be a number of cases in which the financial liability of member organisations will have to be considered, because, as has been pointed out earlier, there are cases in which we know that the organisations cannot pay the full subscription. In asking Congress, therefore, to approve this list of nominations and to declare the Central Committee elected in accordance with this list, we must point out to Congress that in the near future there will inevitably have to be a number of changes made in the direction of reducing the representation of organisations which are not able to accept their full responsibility under the amended Rule.

In addition to that, I have to inform Congress that since this list was printed several organisations have sent in their nominations. These were not received in time for inclusion in the printed list because we had to go to print several weeks before coming to Congress. I ask Congress to note the following additional nominations which have been received -

Burma	...	Mr. Tun Win.
Ceylon	...	Mr. D. E. Hettiarachchi.
Nigeria	...	Mr. E. T. Latunde.
Singapore	...	Mr. N. A. Kularajah.

I ask Congress also to note two changes. In the nominations from Great Britain the name of Mr. R. Taylor has been substituted for that of Mr. H. M. Steel. The Swiss Union has the right to six members of the Central Committee, but at the time of going to press only five had been nominated. Please note that the sixth representative of the Swiss Union is Mr. E. Debrunner.

The President: I assume that Congress accepts these nominations?

The Congress agreed.

The following were elected as members of the Central Committee.

Argentina	E. U. Martinez.
Austria	A. Korp, A. Vukovich, L. Strobl, H. Kulhanek.
Belgium.....	C. Chaput, J. Lambert, J. Papart, W. Serwy.
Bulgaria.....	P. Takov.
Burma	Tun Win.
Canada	R. S. Staples, A. F. Laidlaw, L. Bérubé.
Ceylon	D. E. Hettiarchchi.
Czechoslovakia.....	L. Kopriva, M. Marik, J. Nepomucky, J. Podlipny, J. Sen, L. Smrcka, A. Zemek.
Denmark	P. N. Andersen, A. A. Drejer, E. Groes, K. Nielsen, C. Pedersen.
Finland	J. Jalava, J. Laakso, U. Takki, L. Hietanen, V. Loppi, M. Mustonen, O. Stadius.
France	M. Brot, M. Catelas, A. Charial, M. Degond, G. Gaussel, G. Heitz, P. Ramadier, P. Reymond.
Germany	H. Fischer, W. Flugge, E. Hasselmann, H. Meina, E. Potthoff, C. Schumacher, C. Wiederkehr, J. Brecht.
Ghana	F. Mark-Addo.
Great Britain	H. D. Brooks, B. T. Eccles, F. Oakley, R. Taylor, W. Quincey, R. Southern, T. Weir, P. M. Williams.
Greece	J. Afendakis.
Holland.....	J. J. A. Charbo, J. Roos.
Iceland	
Indonesia	Eddiwan.
India	V. C. Parashar.
Israel.....	J. Efter, N. Verlinsky.
Italy	O. Bardi, G. Cerreti, V. Grazia, G. Tolino, L. Malfettani, A. Mayr, V. Menghi, E. Mondini.
Jamaica	
Japan.....	Y. Hasumi, S. Nakabayashi.
Malaya	
Nigeria	E. T. Latunde.
Norway.....	R. Haugen, P. Söiland, R. Semmingaen.
Pakistan.....	M. Hasan.
Roumania	C. Mateesco.
Singapore	N. A. Kularayah.
Sweden	C. A. Anderson, S. Apelqvist, M. Bonow, G. Etzler, H. Hjalmarson, A. Johansson, N. Thedin, S. Kypengren.
Switzerland	Ch.-H. Barbier, H. Küng, H. Rudin, A. Vuilleumier, W. Gnaedinger, E. Debrunner.
U.S.A.	S. Ashelman, H. A. Cowden, J. W. Koski, M. D. Lincoln, F. F. Rondeau, A. J. Smaby, D. Townsend, J. Voorhis.
U.S.S.R.	N. P. Abramenko, A. I. Galkin, A. P. Klimov, N. P. Sai, N. P. Sidorov, D. S. Timofeyev, P. Tsagarishvili, K. Y. Yunosov.
Yugoslavia.....	D. Bajalica.

I.C.A. JUBILEE TRIENNIAL PRIZE.

The President: I call on Mr. Thedin to announce the decision of the International Jury on the fifth award of the Jubilee Triennial Prize.

Mr. N. Thedin, Sweden: On behalf of the International Jury, I have great pleasure in submitting their report and decision to Congress. The Jury have held two meetings under the chairmanship of Mr. Klimov. In addition to Mr. Klimov and myself, the Jury consists of Mr. Staples (Canada), Mr. Kellerhals (Switzerland), and Mr. Kérinec (France). I was chosen as *rapporteur*.

I have first of all to say something about two books which the Jury want me to call to the attention of Congress. One of them is by Dr. Boson and deals with the ideas and the co-operative action of the Christian Socialists in England. This book describes a fascinating and dramatic part of co-operative history. It is well written and delightful to read. It deals with a subject of great importance. One of the chapters has the title "An ideal still alive," and that may be said to be the theme of the book. The Jury recommend Dr. Boson's book to all those who have an interest in co-operative history and ideals. The second book is by Professor Paul Lambert, of the University of Liège, Belgium, and is called *La Doctrine Cooperative*. It led to a lengthy discussion among the Jury, and it will probably do so in any group of active and interested co-operators. It is a highly provocative book and therefore highly stimulating, and we wish to draw it to your attention.

You may well realise, from what I have told you about these two important books, the value that we attach to the book which we have unanimously selected for the prize, a book called *The Scandinavian Co-operative Wholesale Society*, written by Thorsten Odhe. It is a book about Scandinavian team-work over 40 years in the service of the consumer. The book describes co-operative collaboration in the Scandinavian countries, and the Jury deem this to be a theme of high topical interest. I should like to quote a few lines written by the Director of the I.C.A., Mr. Watkins, with which the Jury whole-heartedly associates itself. In the foreword to the book, Mr. Watkins writes -

"At a time when the operations of the consumers' co-operative movements and more especially of their wholesale societies demand ever more comprehensive international consultation, collaboration and even integration, few things can be more instructive than the study of this most outstandingly successful international enterprise, the Scandinavian Wholesale Society. It is vitally important that the facts of its development, the real problems that its leaders had to solve and the true reasons why certain solutions were adopted and others rejected should be widely and accurately known."

It is the unanimous opinion of the Jury that this book, which skilfully treats of a subject of great topical interest, highly deserves the Triennial Prize of the I.C.A.

Let me now add a few words about the writer. Thorsten Odhe is well known to most of us. He served the International Co-operative Alliance for many years. In 1947-48 he was the permanent representative of the I.C.A. with the United Nations, and he was Director of the Alliance during the years 1948-51. I should like to add a word about the importance that we attach to the work of Thorsten Odhe in the organisation in which he has served for the greater part of his life,

the Swedish Co-operative Union and Wholesale Society. We think that it is a work of very high importance, not least from a moral and ideological point of view. Since Mr. Odhe started his work in K.F. in 1924 he has been an outstanding publicist and writer in the Swedish co-operative movement, and for a very long time past we have regarded him as a kind of walking dictionary. He walks a little more slowly nowadays than he used to do, but that is probably because the dictionary contains much more. Since 1923, Mr. Odhe has published nearly 30 books on co-operative theory and practice, on monopoly theory and on international trade and commodity distribution. A dozen of these books have been translated into other languages. Among these books are monographs on the co-operative movement in six different countries. Books by Thorsten Odhe may be obtained in 15 different languages.

I have very great pleasure in asking Mr. Odhe to come to the rostrum and receive the prize from the hands of the President. I do so with pleasure not because he is a compatriot of mine but because for such a long time he has been such a faithful, intelligent, and good servant of international Co-operation. (Applause.).

The President then, amid applause, presented the Jubilee Triennial Prize to Mr. Odhe.

Mr. T. Odhe, Sweden: It is quite a surprise to me to be allowed to say a few words to you, and I cannot use the opportunity in a better way than to make publicity for my book. It deals with a subject which has been dealt with here, too; the Scandinavian Co-operative Wholesale Society has been mentioned in several connections here. As you know from the title of the book, the Scandinavian Co-operative Wholesale Society is about 40 years old. It began very modestly, but during its 40 years of activity it has had a turnover of about six billion crowns. It has to meet exactly the same difficulties and obstacles as other kinds of co-operative collaboration, and it has had to work across the frontiers of the various Scandinavian countries. There were Customs duties to be overcome and there were various other barriers. Progress was slow in the beginning, but it became more and more pronounced.

It is natural that, because of these obstacles, it could not concentrate on anything but joint purchasing in its practical work, but it has also been very active in promoting joint understanding between the Scandinavian nations. It has been active in the promotion of co-operative production, and it has also been very active in promoting the project of a Scandinavian Customs Union, which has now been superseded by the E.F.T.A. arrangements. It has done very much to allow the Scandinavian peoples to come closer together as a whole. You can read about all this in my book, and so I will close by thanking the Alliance for the very high distinction awarded to me. I assure you that in the continuation of my activity I shall devote all the attention possible to the cause of Co-operation. (Applause.).

VOTES OF THANKS.

The President: The time has now come to thank all those who have received us so very well here, and first of all the Swiss Co-operative Union, whose representatives have been with us every day and who have taken so much trouble to organise the friendly functions and amusements that we have had. We thank the Federal and municipal authorities, who have honoured us by their presence, and the

Lausanne Society, whose director has been with us every day. We also thank the management of the Beaulieu Palace, this wonderful building, and the city authorities who have helped us so greatly.

The votes of thanks were carried by acclamation.

DATE AND PLACE OF NEXT CONGRESS.

The President: With regard to the place of the next Congress, I call on the President of the Executive of the British Union.,

Mr. G. R. Douglas, Great Britain: On behalf of the British co-operators I have the honour and great pleasure to invite the I.C.A. to hold its next Congress in Great Britain. The Co-operative Union, the English Wholesale Society, and the Scottish Wholesale Society join in submitting this invitation to you. By 1963, the year in which we assume that the next Congress will take place, it will be 29 years since the I.C.A. Congress was held in Great Britain, and we think it is time that you visited us again. I can on behalf of the British movement assure all the delegates that they will receive a sincere welcome to our country and we shall make every effort to see that you have all the facilities available for a successful Congress. There will be opportunities for delegates and friends from other countries to meet many of the leading British co-operators, who in turn will be glad to meet leading co-operators from other countries. We also hope that many of our friends when they visit our country will take the opportunity to learn something of our movement in Great Britain.

Mr. President, on behalf of the British movement, we sincerely hope that you will accept our invitation to hold your next Congress in Great Britain. (Applause.)

The President: If no one else wishes to speak, I think you have by your applause shown that you wish to thank our British friends and accept their invitation.

The Congress agreed.

CLOSE OF THE CONGRESS.

The President: The resolution on Peace has been sent to the Secretary-General of the United Nations. We have now come to the end of our proceedings. This Congress has been, in my view, very important, by reason of the paper which we have had from Dr. Bonow, which will continue to be the basis of our discussion in the future and of our serious study of the problems of the development of our movement in a changing world, and also because of the papers we have had on the promotion of Co-operation in the developing countries and the long-term programme of technical assistance which you have approved, which have certainly given our friends from far-off countries who have taken part in our Congress much hope and courage for their work.

I have to present my apologies for having had to interrupt and call to order certain delegates. I have done what I had to do. At the Central Committee meeting which is to follow this session I shall announce that I am no longer a

candidate for the presidency. Of my occupation of the presidency I do not want to say more than that it has given me the occasion to work during my years of office in close collaboration with Mr. Watkins and Miss Polley, and that by their deep knowledge of the Movements which make up the Alliance and their knowledge generally they have been for the Alliance a rich source of information of the greatest value in our work from day to day. (Applause).

Mr. A. A. Drejer, Denmark: In my capacity as senior member of several bodies of the I.C.A., and I think also I can add, in my capacity as one the veteran workers within the I.C.A., it is my privilege, Mr. Marcel Brot, to say a few words. I only regret that I cannot use your language to do so, but I know that you will follow what I say. In bidding farewell to your work here you have done so in the same way that you have done your work as President. What has impressed me personally in the way in which you have done your work and in your whole attitude to people and things has been your naturalness, the absence of formality, your humanity, as well as your outstanding capacity as a great Co-operator, first in France and for the last six years or so in the sphere of International Co-operation. We owe a great deal to your personality and your capacity. We have always felt confident that you were doing the work in the right way for the I.C.A. I am sure that I have the whole assembly with me in saying this, and I invite the delegates to stand up and show how warmly we regard your excellent presidency of the Alliance.

The delegates rose in their places and warmly applauded the President.

The President: The Congress is closed.

Appendices
to the
Report
of the
Central Committee.

Reports of Auxiliary Committees—

- I. International Assurance Committee.**
- II. International Banking Committee.**
- III. Committee of Representatives of Workers' Productive and Artisanal Societies.**
- IV. International Committee on Agricultural Co-operation.**
- V. International Committee on Housing.**
- VI. Co-operative Wholesale Committee.**
- VII. Committee on Retail Distribution.**
- VIII. International Co-operative Petroleum Association.**
- IX. Technical Assistance Projects undertaken by Member Organisations.**
- X. Organisations Affiliated to the I.C.A.**
- XI. Membership Subscriptions for the years 1957, 1958, 1959.**
- XII. Accounts and Balance Sheet for the years 1957, 1958, 1959.**

Report of the International Co-operative Insurance Committee.

In 1957 the Insurance Committee held some very interesting meetings in Stockholm at which there was a great number of participants, including a delegation of more than 20 people from the U.S.A.

At the end of the meeting everyone felt that it was a pity such exchanges of opinion were not more frequent.

The American delegates earnestly proposed that the Conference, which, according to the Rules, is Triennial, should be held every year; that the next meeting should be in the United States in 1958.

The Executive Committee examined the two propositions, but found it impossible to support them. First of all, a Conference must be prepared a long time in advance if it is to have profitable results, which means that several people must be employed upon it. Annual Conferences could only be considered with the services of a Permanent Secretariat with a qualified staff. Under the present circumstances, the Executive could not agree to the idea of annual Conferences.

A meeting in the United States had to be postponed as the Central Committee of the I.C.A. had accepted an invitation from La Prévoyance Sociale to hold its 1958 meetings in the Society's new headquarters at Brussels.

The Executive decided, however, to accept the invitation of the American delegates for 1959, and in view of the interest of a meeting with representatives of American and Canadian Societies, it was agreed to convene in New York a special General Assembly of all Societies affiliated to the Committee.

This assembly met with a great success, firstly by the number of participants, about a hundred people were present when the Chairman opened the first session. While the Americans and Canadians provided two-thirds of the participants, 30 representatives had come from other countries. The two largest European delegations were those of Sweden and Germany, each with six delegates; representatives were also present from Great Britain, Norway, Denmark, Finland, Iceland, Holland and Belgium, from Israel, Bombay and Puerto Rico - altogether delegates from 14 nations.

The Assembly was interesting, with its title "Insurance plus . . ." which implied that co-operative insurance is insurance, plus a social content.

As Murray Lincoln, President of the Co-operative League of the U.S.A., said in his opening address: "A Co-operative which obtains financial successes, but has no social ambition, is not a Co-operative. Our duty is to contribute, by all means at our disposal, to make our fellow citizens healthy and strong, productive, independent and trusting, secure from ignorance, sickness and political and moral misery."

The questions discussed in New York were of three kinds -

1. Under the title "Sharing new Ideas for a new Era in Insurance Operations," two insurance men and two University professors talked, respectively, on production, distribution, modernising of offices, and modern management techniques.

2. Different ways of financing were analysed: (a) Credit Unions – in America, selling on credit plays a part that we, Europeans, can hardly imagine, therefore, Credit Unions have an ever-increasing success; (b) Mutual Funds – a way of ensuring a reasonable, and not too hazardous, investment in common stock by the small investor; (c) International Co-operative Bank; (d) Investments of Insurance Company Funds; (e) Financing of Co-operative Housing – some American towns, New York for instance, owe their housing development to the financial help of Insurance Societies.

3. Some aspects of co-operative principles and action were particularly studied – democratic control of the policy-holder on the management of his Society; relationship between the Insurance Committee and the I.C.A.; telling the Co-operative Insurance Story to all publics; ways and means of helping the development of Co-operation in newly-developing countries; co-operative reinsurance.

In view of the interest of the views exchanged the Report of the meeting was printed – in English only for budgetary reasons – and copies sent to all the Societies represented as well as to those affiliated to the Committee.

The Triennial Conference at Lausanne has an important agenda, including questions directly related to the management of Societies –

Investment of Co-operative Insurance Societies Funds – Report by Mr. Robert Dinnage, Great Britain.

Life Policies linked to Index or to Dollar – Report by Mr. Mordechai Zilist, Israel.

Research – Report by Mr. Bowman Doss, U.S.A.

Comprehensive and Combined Policies – Accident, Fire and Group – Report by Mr. Seved Apelqvist, Sweden.

Report by the Secretary on the Activities of the Committee during the last three years.

The bases of the budget, unchanged since 1922 and which have become inadequate for the requirements of the activities, will be considered and proposals made for changes.

Two questions which go beyond the scope of insurance technique or the influence of the Committee will also be examined, although they have been discussed many times in the past.

First, co-operative reinsurance. The aim of Co-operation is to replace the spirit of profit by the idea of service. It strives, therefore, to abolish the present economic system and to substitute the consumers' interest to return on capital. But reinsurance leads to this paradoxical consequence that, while fighting against the capitalist system, we make it stronger by transferring to it some of our business. Thus our first objective was to get free of this economy based on profit.

The Reinsurance Bureau is also commissioned to help in creating Co-operative Insurance Societies in countries where there are none, and to assist Societies which lack experience and resources.

And here, we are faced with a question which is of vital interest for the future of the world: assistance to the under-developed countries.

In Africa and Asia, particularly, we see the birth and development of nations grouping tens of millions of men. Our duty as co-operators is to help them become free, prosperous and happy people. Only in these conditions shall we establish on earth that peace for which we so fervently hope.

HENRI LEMAIRE,
Secretary.

Appendix II.

Report of the International Co-operative Banking Committee.

Since the last Congress at Stockholm in 1957 the Banking Committee has met twice, at Brussels in September, 1958, and in London in July, 1959.

In this period the total assets of the 11 Co-operative Banks reporting to the Committee have increased from \$1,370 millions to \$1,495 millions, whilst the total current account turnover handled has increased from \$28,728 millions to \$46,067 millions. There has thus been considerable expansion. There has also been an increase in the business of the Co-operative Banks amongst themselves, from \$64 millions in 1956 to \$92 millions in 1958. The greater part of this, however, was attributable to the English C.W.S. Bank passing substantial transactions through other Co-operative Banks in Europe. This question of inter-bank transactions was examined at the meeting in London in July, 1959, and the representatives of the Banks present agreed to expand the business by all means possible.

At Brussels an extremely interesting paper was given by representatives of Coop-Dépôts on the development of Co-operative Banking in Belgium, although it did appear that legalistic difficulties had hindered development to a degree, whilst the Bank was not recognised for the purpose of foreign exchange transactions, and could not, therefore, participate in the inter-co-operative bank transactions mentioned above.

At this same meeting the question of the participation of the Co-operative Banks in India was raised, and it was resolved that the Secretary should incorporate their figures in the general statistics. Unfortunately, however, it has proved impossible to obtain comparable and reliable data for this purpose.

In April, 1959, at the invitation of the German Co-operative Banks the members of the Committee attended a demonstration of the electronic computer operation at the German C.W.S., and also one at the Dresdener Bank at Hamburg.

At the meeting in London, Mr. Lifshitz raised the question of finance for the under-developed countries of the world, but it was pointed out that the statutes of most Co-operative Banks in Europe prevented loans for this purpose, although considerable technical aid had been given by the English C.W.S., either by seconding personnel or by supplying information. The proposal was, however, passed on to the International Co-operative Bank at Basle for consideration, and doubtless the subject will be discussed at the meeting of the Committee at Lausanne.

S. TYLDESLEY,
Secretary.

Appendix III.

Report of the Committee of Representatives of Workers' Productive and Artisanal Co-operatives.

The work of our Committee has proceeded normally since the Stockholm Congress, with the general goodwill of the member Organisations and the kind co-operation of the I.C.A.

New Members. It is with pleasure that we record the affiliation of three new Organisations of which two belong to the building industry – Byggnadsfackens Utredningsavdelning, Sweden, and Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et Matériaux de Construction, France. The third belongs to the fishing industry – Confédération des Organismes de Crédit Maritime Mutuel, France. We welcome these new members and we are happy to see this extension of the field of activity of our Committee.

Meetings. The Committee met at Brussels on 11th September, 1958, and in London on 24th July, 1959.

Technical Activities. The Committee took part in the work of the F.A.O. Technical Meeting on the Fishing Industry at Naples in May, 1959, and the report on the meeting which Mr. Lacour (France) gave at the London meeting showed the importance of this activity amongst the various professional branches represented in the Committee.

Monographs. We have continued to edit professional monographs. After one on Transport containing reports studied at Stockholm in 1957, we published one on the Fishing Industry containing reports studied at Brussels in 1958; lastly a monograph on The Mechanics and Working of Metals, which was on the Agenda of the London meeting in 1959, has just been completed. After the meeting at Lausanne, we shall publish a monograph on The Textile and Clothing Industry, containing reports to be studied at that meeting.

Study Visits. The Secretary has visited Yugoslavia to study the Co-operatives, and in 1958 Mr. Antoni went to Morocco to give a series of lectures and to visit Co-operative Organisations.

Delegations: Visitors. The President and Secretary receive numerous visitors from many countries, particularly from regions where Workers' Productive and Artisanal Co-operation is in its early stages.

The Secretary has represented the Committee at a meeting of the Swiss Association of Building Societies.

Exchange of Experiences. Two exchanges of experiences are proceeding: between Italy and Portugal as regards the marble industry; between France and Italy as regards building work.

A study visit from French Productive Co-operatives to the Co-operatives of the National Association of Italian Productive Societies is planned for the second half of September.

Statistics. We continue to maintain our statistical records, which have proved to be very useful. To keep them right up-to-date, it would be desirable to send out the questionnaires every five years or, better still, every three years on the eve of each I.C.A. Congress.

Report of the President. This report constitutes a true synthesis of the situation of Workers' Productive, Artisanal and Fishery Co-operative Societies in all countries from which we receive information. It is, however, apparent that this document, which is very important, would necessarily contain repetitions and omissions if it were issued every year. The Committee has, therefore, decided that the general report shall be presented every three years on the occasion of the I.C.A. Congress.

Present Problems. The President and Secretary have continued to follow certain questions, but so far without any susceptible positive results which could constitute a concise report.

These questions concern mainly Co-operatives for the Disabled, Industrial Co-operation in lesser-developed countries, and contacts with the Housing Committee.

On the last point, it will be remembered that a joint session between technicians nominated by the two Committees, for the exchange of experiences in the construction of popular dwellings, was agreed in principle.

All the Organisations members of our Committee sent detailed reports on the experiences of their respective Movements and countries, and we were quite ready for the joint session. Unfortunately, in spite of all our efforts, certain difficulties of an administrative nature prevented the realisation of the project.

As it would be regrettable if these studies, undertaken at our request, should not be considered, we propose to convene a Working Session at Lausanne, prior to the I.C.A. Congress, which will be open to technicians of Workers' Productive and Housing Societies and, in a general way, to all Co-operators. At this session the reports we have received will be discussed.

Conclusion. In our opinion the future activity of the Committee should be concentrated upon an intensification of technical exchanges.

Apart from this, new circumstances should enable us to promote a certain flow of business between Productive and Artisanal Co-operatives of different countries.

Finally, certain sectors of activity such as Fishery, Transport and Building, could benefit enormously from an intensification of relations between Co-operators.

It is in this sense, with the approval of the Triennial Conference, that we will endeavour to plan our activity during the next few years.

We cannot end this report without emphasising once again that our form of Co-operation is an indispensable element to the modernisation programmes of all lesser-developed countries, and one which demands the continuous attention of the I.C.A. and all other International Organisations whose task it is to promote the development of World Co-operation.

E. MONDINI,
Secretary.

Report of the International Committee on Agricultural Co-operation.

The International Committee on Agricultural Co-operation has met only once since the Stockholm Congress, at Paris in January, 1960. Its Sub-Committee has held meetings at Strasbourg in December, 1957, Brussels in September, 1958, London in August, 1959, and Vienna in May, 1960.

Its report to the last Congress emphasised two important factors essential to the development of its work and the fulfilment of its aims: the first was permanent expert assistance within the Secretariat of the Alliance; the second, the regular participation of a larger number of Agricultural Organisations in its work.

The first of these needs was fulfilled in December, 1957, by the appointment of Mr. G. Davidovic as Agricultural Expert within the Secretariat; larger membership of the Committee is still a fervent hope.

Problems which have figured prominently in the work during the past three years are - the Programme of the Committee; its constitution and aims; the rôle of Consumers' Co-operative Societies and Co-operative Wholesale Societies in the marketing of agricultural produce and supply of agricultural requirements - a problem which was discussed at the Agricultural Conference at Stockholm and includes the problem of co-operative import and export of agricultural produce; the promotion of co-operation in the lesser developed countries; relations of the Committee with other International Organisations.

A draft programme of future work was considered by the Sub-Committee at Brussels, when it was agreed that the direction of the Committee's work should be propaganda and information. This decision has been carried into effect, in part, by the publication of a monthly *Agricultural Co-operative Bulletin* which has had a good reception, also by articles in the *Review of International Co-operation*.

The constitution and rules of the Committee, and amendments drafted by the Secretariat, are under consideration.

The Rôle of Consumers' and Wholesale Societies in the Marketing of Agricultural Produce and Supply of Agricultural Requirements.

Following the discussion of this problem at Stockholm a questionnaire drafted by the Chairman was circulated but, although a certain amount of important material was received, the replies were incomplete and incomparable. Such information as was available was analysed and made the subject of an article in the *Review*, September, 1959.

As regards the problem of co-operative import and export of agricultural produce, it was felt desirable to bring together importers and exporters interested in different commodities, with a view to personal contacts and joint discussion, and a recommendation was accordingly submitted to the I.C.A. Executive that:

A series of Conferences be convened under the auspices of the I.C.A. and in the name of the Agricultural Committee of people from the Consumers' and

Producers' Co-operative Organisations interested in the following commodity groups – dairy produce, wines, tea and coffee, fruit and vegetables, grain and feeding stuffs;

The purpose of the Conferences should be to discuss the problem of co-operative import and export;

The first Conference concerned with dairy produce be convened in Denmark in April, 1960, with the Danish Organisations acting as hosts;

Only Organisations, members of the Alliance, be invited to participate in the meetings.

This recommendation was approved on the understanding that the Dairy Produce Conference should be in the nature of an experiment, and that future Conferences should depend upon its results.

The Conference took place at Aarhus on 26th and 27th April, with participants from member Organisations in Denmark, Austria, France, German Federal Republic, Great Britain, Sweden and Switzerland interested in the production and marketing of dairy products, particularly Wholesale Organisations dealing with the buying and especially the import of these products. The two-day Conference can be regarded as a very useful one in general, and concluded by voting a recommendation to the Agricultural Committee that similar Conferences and discussions should be arranged when possible.

Promotion of Co-operation in Lesser-Developed Countries.

The members of the I.C.A. Technical Assistance Sub-Committee are fully aware of the importance of agriculture in the promotion of Co-operation in the developing countries, as was manifested by the inclusion of Mr. A. A. Drejer in the I.C.A. delegation to the Kuala Lumpur Conference as an agricultural expert.

The question has been seriously discussed at meetings of the Committee and its Sub-Committee, and the Technical Assistance Sub-Committee has been assured of the willingness of the members of the Agricultural Committee to give whatever assistance may be desired, particularly in the carrying out of the Long Term Programme of the I.C.A. which will come before the Lausanne Congress.

Relations of the Committee with other International Organisations.

While the Agricultural Committee has not as yet entered into relations and collaboration with other International Organisations, particularly F.A.O., I.L.O., and I.F.A.P., it is closely concerned with the development of relations between these Organisations and the I.C.A. and learned with satisfaction of the meeting convened in Paris in February, 1960, on the initiative of Mr. R. N. Henry, F.A.O., for an exchange of views as to possible ways in which the Governmental and Non-Governmental Organisations concerned with co-operation in agriculture might collaborate in the interests of the Movement in the developing countries.

* * * * *

The members of the Agricultural Committee, under the Chairmanship of Mr. A. Axelsen Drejer, look forward with confidence to the advancement and expansion of its work in the coming years, provided that member Organisations give sustained and regular collaboration.

**G. F. POLLEY,
Secretary.**

Appendix V.

Report of the International Committee on Housing.

The I.C.A. Committee on Housing has welcomed two new member Organisations – the Co-operative League of the U.S.A. and Svenska Riksbyggen of Sweden – whose participation, it is felt, will add considerably to the Committee's achievements.

Meetings of the Committee have been held at Annecy in April, 1958, London in July, 1959, Vienna in May, 1960. Its Sub-Committee met at Strasbourg in December, 1957, Brussels in September, 1958, and Paris in January, 1960.

Its work during the past three years has been influenced by the suggestions made in the discussion at the Stockholm Conference on Papers dealing with "Economic Trends and the Rôle of the Housing Committee," which included collaboration on the international plane, publication of brochures on housing, studies in housing finance, housing co-operation in lesser developed countries, technical questions relating to building construction, social and cultural equipment of housing communities.

The Committee is taking a serious interest in the problem of co-operative housing in lesser developed countries as an important social element for raising the standard of living. Its Chairman, Mr. Ashworth, who accompanied the I.C.A. delegation to the South-East Asian Conference as a Housing expert, made a special study of Co-operative Housing in a number of countries in the region. It may be mentioned that since the Conference, and under the Technical Assistance Programme of the I.C.A., an Indian housing expert has undertaken a study of the Housing Co-operatives in Malaya and Singapore, and made recommendations for improving their constitution and work; also, that members of the Committee are collaborating this summer in a Study Course on certain aspects of Co-operative Housing in Western Europe, which an official of the Malay Federation of Co-operative Housing Societies is undertaking under the Technical Assistance Programme of the Alliance.

An endeavour is being made to fulfil the desire expressed at the Stockholm Conference for a more detailed study of the question of social and cultural equipment of housing communities but, unfortunately, the member of the Committee concerned is experiencing considerable difficulty in obtaining documentation from the Member Organisations.

In the sphere of publications and information, a brochure on Housing Co-operatives is in preparation which, it is hoped, will be available at the Congress.

The I.C.A. Secretariat continues to circulate annual statistics of the affiliated Housing Co-operatives which show the importance of their activities and the progress they are making.

The Model Rules for Co-operative Housing Societies, reported to the Stockholm Conference, are proving of considerable value, both in the establishment of Housing Co-operatives in lesser developed countries, and also to other International Organisations.

With a view to knowing more about each other's activities and to furthering personal contacts between their officials, members of the Housing Committee are acting as representatives of the I.C.A. at Congresses of affiliated Housing Organisations.

At the request of the representative of K.K., Finland, the Housing Committee approved a resolution on State Aid for Housing, which the I.C.A. Executive endorsed. This stressed the duty of Governments to support social housing, and it was subsequently learned that it was one amongst a number of factors which influenced the sanctioning of a law by which the Housing Production Law was amended very favourably, particularly as regards the conditions of state loans for housing.

The efforts of the Committee and its potentialities are being more appreciated by other International Organisations concerned with housing or problems related thereto, particularly the U.N. Bureau of Social Affairs, the I.L.O. and the Economic Commission for Europe, and its collaboration is regularly sought.

At a meeting which the Officers of the Alliance had in April, 1959, with officials of the U.N. Bureau of Social Affairs, the possibilities of collaboration were discussed, and shortly afterwards a request came for the services of a housing expert to prepare a brochure on Low Cost Housing. Shortly before, a member of the Committee had been approached by the I.L.O. to assist in the completion of a manual on Non-Profit Housing, on which the late Mr. Thor Pedersen had been engaged.

The Committee participates in the E.C.E. Housing Committee where its representatives have contributed to studies on financing of housing in Europe, also on standardisation and modular co-ordination.

At the 44th Session of the I.L.O. Conference in June, a statement was made by the Director of the Alliance expressing disappointment with the I.L.O. Report on Workers' Housing which, in the opinion of the I.C.A. Housing Committee, showed a lack of understanding about co-operative building. Having considered the programmes of different International Organisations in the sphere of housing which, in their opinion, show a certain overlapping, the Housing Committee recommended the I.C.A., as a Category A Consultant of Ecosoc, to draw attention to the desirability for action in the sphere of Housing to come under a single agency with which the I.C.A. and its Housing Committee could maintain contact.

The I.C.A. Executive accepted, and acted upon, this recommendation, but the idea of a single agency has not found support on the part of the U.N. authorities. While recognising the need for co-ordination, they favour the facilities for collaboration which would be afforded by the long-range programme of international action in the field of housing proposed by the Inter-Agency Working Party on Housing.

This is one of the questions which will be discussed at the Housing Conference at Lausanne, where an official of the E.C.E. Housing Division will explain the proposed Long-Term Programme.

Another question before the Conference will be the Rôle of Housing in the Promotion of Co-operation in developing countries.

G. F. POLLEY,
Secretary.

Report of the Co-operative Wholesale Committee.

This Auxiliary Committee has, for its object, to promote and intensify the efficiency of the Consumers' Co-operative Wholesale Societies affiliated to the I.C.A. Its membership comprises the following Organisations -

- Co-operative Wholesale Society, Ltd., Manchester.
- Co-op Nederland.
- Faellesforeningen for Danmarks Brugsforeninger.
- Grosseinkaufs-Gesellschaft Deutscher Konsumgenossenschaften.
- Grosseinkaufsgesellschaft Österreichischer Consumvereine.
- Hamashbir Hamerkazi, Israel.
- Kooperative Förbundet, Stockholm.
- Norges Kooperative Landsforening.
- Osuustukkukauppa, Finland.
- Samband isl. Samvinnufélaga, Iceland.
- Scottish Co-operative Wholesale Society, Ltd.
- Société Générale Coopérative, Brussels.
- Société Générale des Coopératives de Consommation, Paris.
- Suomen Osuuskauppojen Keskuskunta, Finland.
- Verband schweiz. Konsumvereine, Basle.

The Committee was constituted on the 23rd November, 1956, when a Management Sub-Committee consisting of Mr. Albin Johansson (President), Lord Williams (Vice-President), Mr. Heinrich Meins, Mr. Jan Roos and Mr. André Vuilleumier was elected. Subsequent changes in the composition of the Sub-Committee are that, at the ordinary Members' Meeting held on 18th September, 1958, Mr. Norman Tattersall was elected to succeed Lord Williams and Mr. Meins was elected Vice-President.

Ordinary Members' Meetings have been held on 2nd August, 1957, at Stockholm, 18th September, 1958, at Brussels, and 15th January, 1960, at Paris. An extra-ordinary Members' Meeting took place on 23rd May, 1960, at Vienna.

Generally speaking, the activities of the Committee can be divided as follows: collection and distribution of information; exchange of experience; and promotion of co-operative trade.

Collection and Distribution of Information

During the past years, enquiries have been conducted, among others, on the following subjects: Centrally organised credit facilities for consumers; The organisation of market research; Construction of industrial plants and warehouses; New building materials and methods; Design and manufacture of fixtures for self-service stores; Freeze chains and freeze boxes; Manufacture and sale of television sets; Co-operative trade with dry-goods, durable consumers' goods, etc. A comprehensive survey of packaging problems, prepared by Mr. Fritz Klein, Director of the G.E.G., has been circulated to the members and current information has been collected and distributed on the problems concerned. It is intended to arrange a small packaging exhibition at Lausanne in connection with the I.C.A. Congress.

Exchange of Experience.

A regular exchange of experience concerning machines and parts, including information on efficient manufacturers and mutual assistance in connection with the purchase of machines and parts, has been organised among the members. A special problem, worth mentioning in this context, was the use of electronics in the administration of the Wholesales as, so far, the G.E.G. has been the only Wholesale to install an electronic plant in its offices. Before doing so, it made available to the members of the Committee the results of its studies concerning the adjustments in its administration made necessary by the use of electronics and the savings to be obtained, and after the plant had been in operation for some time, it gave the members the opportunity of studying its functioning on the spot.

Exchange of experience in a more or less organised form has been taking place among the members in many different fields, but the most effective way of obtaining lasting results has been the setting up of permanent Working Groups of Specialists under the auspices of the Committee. One of them, the Working Group of Co-operative Soap and Detergent Factories, was in existence before the constitution of the Committee, but all factories of the kind belonging to its members have now joined the Group, the activities of which have been considerably extended, and there are now six research teams carrying out research work jointly for the members. Other working groups are those of co-operative milling experts, representatives of co-operative chocolate and confectionery factories, chiefs of co-operative food laboratories, experts on frozen foods, specialists in the organisation of commodity distribution, architects and representatives of co-operative footwear factories. All these groups enjoy full autonomy and elect their own President and Secretary. They hold Conferences once a year or as often as necessary.

No such working group has as yet been set up in the meat processing industry but, on the occasion of the Triennial Fair of the Meat Processing Industry, held at Frankfurt am Main in 1959, the G.E.G. arranged for co-operative specialists from different countries to visit the Fair jointly and study its up-to-date plant in the same city.

Promotion of Co-operative Trade

An enquiry into the exports and imports of the member Wholesales was made in 1957. In 1958, the Executive Secretary was commissioned to study the buying organisation of the C.W.S. and the Scandinavian C.W.S. and the results of his study were made available to the members. Much attention has been devoted to the various plans of the European economic integration and when, soon after the conclusion of the Rome Treaty, the "Community of National Organisations of Consumers' Co-operatives in the Common Market" was constituted, arrangements were made to secure collaboration between this Organisation and the Committee. A joint meeting of the Wholesales in the European Economic Community and those in the European Free Trade Association was held at Paris on 15th January, 1960. There it was unanimously agreed that, as long as the division of Europe in two separate trade blocks is a reality, the Wholesales have no other choice than to avail themselves of the possibilities of closer collaboration offered by the liberalisation of trade within their own area. They should, however, avoid everything that could endanger the unity of the Movement. At a conference of the Wholesales in the E.F.T.A. held at Vienna on 22nd May, 1960, a proposal of the Austrian and Swiss Wholesales concerning the methods of future collaboration within the group was adopted and it was decided to set up a Committee for this purpose. This Committee, like the Community of National Organisations of Consumers' Co-operatives in the Common Market, will closely collaborate with the Co-operative Wholesale Committee and, through it, they will maintain regular contacts with each other. |

Considerable efforts have been made to develop inter-co-operative trade with the Co-operative Organisations of the less-developed countries. The Executive Secretary, who was a member of the I.C.A. delegation to the South-East Asian Co-operative Conference, took the opportunity of discussing with the leaders of the Wholesales of the countries concerned the question of co-operative exports and imports and, on his return, informed the members of the Co-operative Wholesale Committee about the results of his talks. Renewed attempts to follow up the results have, however, remained unsuccessful and, after carefully reviewing the whole situation, the Management Sub-Committee came to the conclusion that it is not possible to overcome the practical difficulties of establishing regular trading relations with the Co-operative Organisations of South-East Asia so long as the I.C.A. has no permanent representative in the region who can work out the problems and refer them to the Committee for further consideration and eventual action.

DR. G. KELER,

Executive Secretary.

Report of the Committee on Retail Distribution.

Members.

The Committee on Retail Distribution, C.R.D., was constituted at a meeting at Brussels, on 18th September, 1958, as an Auxiliary Committee of the I.C.A. At that meeting, draft rules were submitted and were approved by the representatives of the following Organisations, members of the Committee—

“Konsumverband,” Austria.

Société Générale Coopérative, Belgium.

Fédération Nationale des Coopératives Chrétiennes, Belgium;

L'Economie Populaire, Belgium;

Central Co-operative Union, Bulgaria;

Det Kooperative Faellesforbund, Denmark;

Kulutusuuskuntien Keskusliitto, Finland;

Yleinen Osuuskappojen Liitto, Finland;

Fédération Nationale des Coopératives de Consommation, France.

“Zentralverband,” Germany;

Co-operative Union, Great Britain;

Nederlandse Verbruikscoöperaties, Holland;

Confederazione Cooperativa Italiana, Italy;

Lega Nazionale delle Cooperative, Italy;

Kooperativa Förbundet, Sweden;

Verband schweiz. Konsumvereine, Switzerland;

Co-operative League of the U.S.A.;

“Centrosoyus,” U.S.S.R.

Management Sub-Committee.

In accordance with the Rules, a Management Sub-Committee was elected, having as its members: Mr. C. A. Anderson, Chairman, Sweden; Mr. S. F. Ashelman, U.S.A.; Mr. E. Horlacher, Switzerland; Mr. Kaj Nielsen, Vice-Chairman, Denmark; Dr. E. Potthoff, Germany.

The Secretariat.

At Stockholm, November, 1958, the Sub-Committee took up the question arising from the Minutes of the Brussels Meeting that “The Secretariat of the C.R.D. shall be directed by an Executive Secretary, specially engaged for the purpose.”

The opinion having been expressed that the Executive Secretary should be elected from the country of the Chairman, Mr. C. A. Anderson was entrusted to negotiate with candidates for the post and to make an appointment. Accordingly on 1st May, 1959, the Secretariat was opened with Mr. Olof Eng as Executive Secretary.

Working Groups.

After studying the possibilities of carrying out the intentions expressed at Brussels that "the work of the C.R.D. shall be carried on to a large extent through Working Groups, consisting of members interested in specific problems," the Sub-Committee considered the appointment of Working Groups to deal with food shops, combined food and non-food shops, non-food shops, department stores and mail order business, and uniform accounting, the latter to provide the possibilities of an international comparison of statistics or other data.

It was decided, in the first place, to set up two Groups only -

A Working Group on Food Shops composed of Mr. Thygesen, convening member, Copenhagen; Mr. Jaques, Portsmouth; Mr. Langard, Nancy; Mr. Schelter, Dortmund-Ham; Mr. Jurgeit, Berlin.

A Working Group on Departmental Stores composed of Mr. Forsyth, convening member, Nottingham; Mr. Gjers, Stockholm; Mr. Laurén, Helsinki; Mr. Pedersen, Copenhagen; Mr. Pimelsl, Vienna.

Activity of the Groups.

The Groups held a joint meeting at Copenhagen on 21st April, 1959, to draw up plans for their work. Mr. Thygesen summarised the subjects of possible interest to the Food Shops' Group as follows: Structural problems, problems of policy, buying policy, staff and labour policy, and administration.

Mr. Forsyth, on behalf of the Departmental Store Group, explained present problems of department stores and the trend of retail trade within that sector.

The Food Shops' Group met once during the past year when its members agreed that since "Assortment Policy and Stock Problems" were of the greatest interest to all concerned, this question should first be studied; that each member should ascertain whether, and if so how, the Societies in his respective country had investigated this problem; that the information so obtained be reported to the Management Sub-Committee. The Group also recommended that the Secretariat should start an information service concerning "problems at shop level."

The Working Group on Department Stores met twice in 1959, and in connection with the second meeting, at Nottingham in October, a Conference was convened with experts from Co-operative Departmental Stores in Austria, Denmark, Finland, Germany, Great Britain, Norway, Sweden and Switzerland. The subjects discussed were - "Profit from Retailing" (rapporteur, the Chairman and Managing Director of Browns of Chester, Ltd., England); "Department Store

Organisation" (rapporteur, the Administrator of technical studies at the commercial and engineering Innovation, Brussels); "Education and Training of Personnel" (rapporteur, Dr. Else Herzberg, Marks and Spencer, London); "Self-Selection," (rapporteur, Mr. Fred Lambert, Manager of C.W.S. Market Research Department, Manchester).

Having studied a number of questions, the Group reported to the Management Sub-Committee on problems of traffic, discount houses, the European Common Market, the European Free Trade Area and existing international organisations of private enterprises, and recommended an exchange of information, statistics and experiences concerning the management of Department Stores.

Having regard to these proposals, the Sub-Committee requested the Group to plan the formation of so-called *Erfa*-groups to undertake studies of departmental store problems, and two such groups have already been formed.

Programme for 1960.

At its meeting at Stockholm, December, 1959, the Sub-Committee considered the proposals of the Working Groups as regards their future activity. One decision was that two Retail Distribution Conferences be organised: one of a technical nature, the other of a practical business nature. The first Conference took place at Hamburg in April when 30 representatives from 12 countries discussed - New aspects in the Consumer Co-operative Movement; Aspects of Administration of Co-operative Societies; Modern trends in Retailing in the U.S.A.; Development in European Retailing; Assortment Policy in Super Markets; The Triumph of Super Markets.

The Executive Secretary is to undertake a study of existing mail order houses and discount houses in Europe, also a comparative study of shop inspector and supervisor activity in Societies in different countries. Later, he also intends to make a comparative study of the system of remuneration in Societies in different countries.

At the Ordinary General Meeting which took place at Paris in January, 1960, the present Management Sub-Committee was re-elected. The question of membership fees to finance the work of the Committee was also considered, the first payments to be for the year 1960, as the Swedish Co-operative Union had previously undertaken to bear all costs of the C.R.D. Secretariat for 1959.

OLOF ENG,

Executive Secretary.

Report of the International Co-operative Petroleum Association.

Thirty-three National or Regional Co-operatives in 21 countries now make up the membership of the International Co-operative Petroleum Association, which was organised in 1947, and has its headquarters at 11, West 42nd Street, New York, U.S.A.

The Association is governed by a Board of eight Directors, representing eight countries. Howard A. Cowden of the United States is President, and A. C. F. Hendrikse of the Netherlands is Vice-President. Other Directors are S. L. Kassell, England; Mahmoud Younes, Egypt; R. G. Orsini, France; A. R. Carlsson, Sweden, and H. Rudin, Switzerland. There is one vacancy on the Board at the present time occasioned by the recent death of Donald Dow of Scotland.

In October, 1960, the I.C.P.A. will hold its 13th Annual Meeting. Since its establishment it has realised savings for its members of more than one-and-a-quarter million dollars on their petroleum requirements. During the same period its volume of products has been approximately \$25,000,000. Total assets are \$2,225,000 and patrons' equities stand at close to \$900,000.

The past year has been one of frenzied activity in petroleum throughout the world; it has marked the further expansion of the large oil companies and the death of many of the smaller ones. It has been a year that accentuates the need for integration in petroleum operations – from the production of the crude oil to the pumps of the retail seller. Only through such integration can Co-operatives, or any group working successfully in petroleum, be sure of a steady supply of quality products at a competitive cost.

It is for this reason that the I.C.P.A. is making a concentrated effort to secure crude oil sources which will serve as a base for the operations of its members. At the same time, work is continuing toward the erection soon of a blending plant in Europe through which bulk stocks can be procured and the blending and filling done in our own plant there. Simultaneously, work has been pushed on the development of new markets and the search for better means of serving those existing ones.

The membership of the Association includes both Consumer and Agricultural types of Co-operatives. In the past, the I.C.P.A. has basically been most active in supplying lubricating oils and greases, but has also been instrumental in certain instances in securing fuel supplies for its members. Presently, we are supplying almost all of the requirements in fuels for one of our members through arrangements negotiated with an independent refinery in Europe. With the refinery expansion programme which has developed over the past few years, it has not in some cases been economically practical to arrange supplies for European members from Co-operative Refineries in the United States.

The I.C.P.A. has also worked with the I.C.A. in the United Nations for the reduction of world tensions brought about by oil. Many conferences and discussions have been carried on since the last Congress in Stockholm, and it is hoped that a resolution, calling for an oil authority under the auspices of the U.N., bringing together both the consumer and producer interests, can be successfully sponsored at the United Nations in the near future. The implementation of such a resolution would constitute an effective contribution to the cause of world peace.

In many of the developing countries there is a serious need for promotion of understanding of the co-operative programme in petroleum as well as in other fields. In most of these countries there has been no co-operative development in oil; the countries have been completely dominated by the major oil companies which have permitted no opportunity for the growth of co-operatives. The I.C.P.A. is working with leaders today in some of these countries in an endeavour to set up functioning co-operatives that can purchase and distribute petroleum to consumer and agricultural users.

The growth in petroleum marketing of many of the I.C.P.A. member Organisations has been phenomenal in the past two or three years. In Egypt the Co-operatives now distribute approximately 50 per cent of the petroleum requirements of the country. The Netherlands growth has been very rapid through the development of storage installations throughout the country. The volume of products delivered by O.K. in Sweden has gained tremendously in the past two years. Denmark has had a steady increase in marketing and the use of I.C.P.A. lubricants there has exceeded the per cent of overall increase. The Petroleum Co-operatives in the United States have continued to grow at a rapid rate and now own eleven refineries. They distribute approximately 20 per cent of all the refined fuels used by United States farmers. Canada, too, has made great strides in petroleum marketing. Federated Co-operatives, which distributes petroleum products in the provinces of Manitoba and Saskatchewan, recently celebrated the 25th Anniversary of its refinery at Regina. The C.W.S. in England has materially increased its volume of the I.C.P.A. lubricants in the past two years.

The Co-operative Organisation of truckowners in Germany lubricates much of its equipment with I.C.P.A. products and this volume, too, has grown rapidly. Similar increases have marked the development of other co-operative groups that are I.C.P.A. members.

Such gains must not only continue but must be increased greatly if Co-operatives are to keep pace with private interests in petroleum, so as to serve as an economic factor and to render to their members the service for which they were organised. The I.C.P.A. looks forward to a continued expansion in petroleum activities of its members and to an integration of co-operative effort in petroleum that will strengthen the power of co-operatives throughout the world.

HOWARD A. COWDEN,
President.

A Summary of Technical Assistance Projects Undertaken by Affiliated Organisations.

Austria.

In September, 1959, the Austrian Union Konsumverband launched a wide-spread campaign to accumulate funds for the promotion of Co-operation in under-developed countries, a part of the proceeds to be placed at the disposal of the I.C.A. and a part to be devoted to a special scheme for the promotion of the Indian Co-operative Movement.

Individuals and Organisations were invited to make financial contributions to the funds, and for this purpose printed forms were issued; badges similar to the Swedish badge "Without Boundaries" were being sold.

The first part of the campaign had a good success, and a large-scale action was planned for the Spring.

The Union supplies books, publications and posters to Organisations in developing areas and offered facilities for study in Austria to Co-operators from Turkey and neighbouring countries.

Belgium.

In March, 1959, by decision of its 1958 Congress, Société Générale Coopérative initiated a campaign "Opération Solidarité," the opening features of which were a National Press Conference, a television programme, and a radio talk.

During the first phase of the campaign, 1st March to 30th June, a special approach was made to Co-operators. The approach during the second phase was directed towards Friendly Societies, Trade Unions, wide sections of the population and children.

The programme included conferences at which films were shown, particularly those produced by Unesco, I.L.O., and Unicef, "cartes de soutien" were sold at 5 francs each which purchasers were asked to send to friends to invite contributions to the Fund.

A part of the funds collected were to be used for the development of Co-operation in the Belgian Congo.

Early in 1956, S.G.C. participated in the International Mutual Aid Campaign initiated by Unesco, and sent a sum of Frs. 30,000 to the Bayeux Centre for basic education in Haiti.

La Prévoyance Sociale. On the occasion of its 50th Anniversary, the Board of Directors of La Prévoyance Sociale decided to put £1,000 at the disposal of the International Co-operative Assurance Committee for the promotion of co-operative insurance in countries co-operatively under-developed.

Canada.

While the Co-operative Union of Canada has not itself initiated any projects, United Co-operatives of Ontario sent three top level officials to Jamaica to study the co-operative situation and to make recommendations for developing some aspect of Co-operation in the country.

Following a discussion at the Congress of Le Conseil Canadien de la Coopération, its officials are considering to which country assistance shall be given, and an approach has been made to the International Institute for Co-operative Action created jointly by French Co-operative Organisations.

Finland.

K.K. sent the Accountant of its Auditing and Supervising Department to Western Nigeria, at the invitation of the West Nigerian Government, to act as adviser to the Co-operative Supply Association, and on his return the Head Clerk of the Association went to Finland for experience of the Control System used in the K.K. Societies.

Germany.

In the Spring of 1960 the German Central Union launched a widespread campaign for raising funds to be devoted to assistance for India.

A Study Programme was prepared which offered educational facilities to co-operative leaders and educationalists from developing countries. Five Indian and 5 Tunisian students went to Germany for two years and scholarships were granted to 4 Indonesian Co-operators who had completed their studies at the Co-operative College in their own country for further studies in Germany to prepare as educators in Indonesia.

Great Britain.

The Co-operative Union has launched a Second Appeal on behalf of the I.C.A. Fund and all contributions are forwarded to the Alliance.

Under the auspices of the Education Department a " Friends in Deed " campaign was initiated which included a project for equipping a Co-operative Staff Training Centre in Jamaica.

The Co-operative Insurance Society, Manchester, for many years past has helped the establishment of Co-operative Insurance Organisations in countries where none existed by providing training facilities at its headquarters, granting reinsurance facilities for the new Organisations without which they could not have commenced to function; in some cases by sending its own officials to establish and organise the new concerns and to act temporarily as managers.

Such help has been extended to Organisations in Egypt, Pakistan, Ghana, Cyprus, Nigeria, Jamaica, Malaya, Ceylon, Australia, Canada, Iceland.

Israel.

Hevrat Ovdim organised a three-month Afro-Asian Seminar on Co-operation, November, 1958, to February, 1959, which had 60 participants from 17 countries.

The course included lectures, discussions, visits to co-operative enterprises, collective settlements, etc.

From December, 1958, to December, 1959, a group of 53 Burmese ex-servicemen studied farming methods in the Kibbutz and Moshav Settlements in Israel with a view to establishing similar settlements in Burma. They lived and worked in the settlements in Co-operative Villages.

During August-September, 1959, twelve French-speaking students from Europe, Africa and Latin America, coming from the Collège Coopératif of the Ecole des Etudes of the Sorbonne in Paris, studied co-operative activity in Israel.

Hevrat Ovdim has also organised study programmes for Co-operators from many countries, particularly concerning industrial processes and farming techniques.

Norway.

In 1953, N.K.L. participated in a Norwegian project "Aid to India" which was sponsored by the Norwegian Committee for Foreign Affairs to teach native fishermen of Travancore, Cochin, up-to-date fishing methods as well as the transport and preservation of fish. Important health services were also given.

Sweden.

A Campaign and a Fund "Without Boundaries" were inaugurated by Kooperativa Förbundet in 1958 to secure the support of the Swedish Co-operators for the I.C.A. Technical Assistance Programme and to collect funds, part to be given to the I.C.A. Development Fund, but the greater part to be used for the promotion of co-operative education in S.E. Asia.

Initial contributions to the Fund totalling Sw.Kr. 300,000 were made by K.F., Co-operative Insurance Society Folksam, Stockholm Consumers' Society, HSB Housing Movement, and the Swedish Co-operative Women's Guild, and each affiliated Society was asked to contribute a sum equal to one-tenth per cent of the dividend returned to members. Many co-operative employees agreed to deductions being made from their wages, for a given time, as their personal donation to the Fund.

A nation-wide campaign was organised, including articles in the national and co-operative press, showing of films, radio talks, etc.

During the first phase of the campaign, Kr. 700,000 were collected; target for the second phase was Kr. 1 million.

Members of Societies are asked to give each year 1 Kr. from their dividends and over one-third are contributing in this way.

Folksam, in 1956, sent the Manager of its Fire Insurance Department to Iceland to assist in establishing the Icelandic Insurance Society Samvinnutryggingar, and later gave the Society's fire and motor section reinsurance protection.

One-half of Folksam's initial contribution of £5,000 to the "Without Boundaries" Fund was given to the International Co-operative Insurance Committee for the benefit of co-operative insurance in newly developing countries.

United States of America.

The Co-operative League has its own Technical Assistance Programme for assisting Co-operatives in developing countries to secure well-trained leaders, which is financed by a separate Organisation incorporated as the "Fund for International Co-operative Development" (the new name since 1957 of the "Freedom Fund" created in 1944). The League has also participated in bilateral assistance projects, either with other Co-operative Organisations or non-co-operative promotional bodies.

With the American International Association for Economic and Social Development, the League joined in creating the Joint India Fund from which money has been granted and advisers loaned for projects which the independent Indian Co-operative Organisations, All India Co-operative Union and Indian Co-operative Union, could not themselves finance, including research studies on co-operative farming showing the failure of collective farming both in India and in communist countries; a pilot credit programme for small farmers based on the potential productivity of the land and of the farmers' labour assisted by technical advice, good seed, fertilisers and more irrigation water.

The League is assisting the establishment in Viet-Nam of a Co-operative Research and Training Centre for engineers, accountants and other key personnel in voluntary Co-operatives.

It sent a specially-trained adviser on Consumers' Co-operation to Laos who, in the first place, studied the urgent needs and possibilities of Co-operative Organisations in order to assist in their establishment.

The League is subsidising the recently-established Caribbean Confederation, to which are affiliated the Co-operative Organisations of the smaller countries and territories in the region, and which is providing scholarships and training courses for co-operative leaders.

U.S.S.R.

In response to requests, Centrosoyus invited delegations from India, Indonesia, Iran, the United Arab Republic, Ceylon and Burma to visit the Soviet Union.

In September, 1959, it organised a Seminar at Tashkent for representatives of Co-operative Organisations in Asian-African countries, at which reports were given on the development and activities of Consumers', Producers' and Agricultural Co-operation in the U.S.S.R. The participants also had opportunities for studying the activities and organisations of Consumers' Co-operatives, Cartels and Collective Farms.

Extensive exchanges of goods on mutually beneficial terms and the development of international co-operative trade, in the opinion of Centrosoyus, play an important part in helping Co-operators of lesser-developed countries, and Centrosoyus has made proposals to many Co-operatives for the conclusion of barter agreements and the establishment of trade relations. For example, an agreement to establish trade relations was concluded in Delhi with the National Agricultural Co-operative Federation of India.

Appendix X.

Organisation Affiliated.

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 gemeinnützigter 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. L'Institut Provincial de Coopération Agricole, Liège. Office des Pharmacies Coopératives de Belgique, Anderlecht-Brussels. Société Coopérative Fédérale de Belgique, 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.
Burma	National Co-operative Council, Rangoon.
Canada	The Co-operative Union of Canada, Ottawa. Conseil Canadien de la Coopération, Quebec.
Ceylon	The Co-operative Federation of Ceylon, Colombo.
Chile	Federación Chilena de Cooperativas de Ahorro, Santiago.
Colombia	Cooperativa Familiar de Medellin, Ltda., Medellin.
Cyprus	Co-operative Central Bank, Ltd., Nicosia.
Czechoslovakia	Ustredni Rada Druzstev, Prague.
Denmark	De samvirkende danske Andelsselskaber, Copenhagen. Det kooperative Faellesforbund i Danmark, Copenhagen.

Eire	The Co-operative Development Society, Ltd., Dublin.
Egypt	Société Coopérative des Pétroles, Cairo.
Finland	Kulutusosuuskuntien Keskusliitto, Helsinki. Yleinen Osuuskappojen Liitto, Helsinki. "Pellervo-Seura," Helsinki.
France	Fédération Nationale des Coopératives de Consomma- tion, Paris. Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris. Banque Coopérative des Sociétés Ouvrières de Produc- tion de France, Paris. Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, Paris. Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, Paris. Caisse Nationale de Crédit Agricole, Paris. Fédération Nationale des Sociétés Coopératives d'Habi- tations à Loyer Modéré, "Foyer Cooperatif," Paris. Confédération des Organismes de Crédit Maritime Mutuel, Paris.
Germany	Zentralverband deutscher Konsumgenossenschaften, Hamburg. Grossverkaufs-Gesellschaft Deutscher Konsumgenos- senschaften, m.b.H., Hamburg. Gesamtverband gemeinnütziger Wohnungsunterneh- men, Cologne.
Ghana	The Alliance of Ghana Co-operatives, 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 500 Societies.
Greece	Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), Athens.
Holland	Coöperatieve Vereniging U.A. Centrale der Nederlandse Verbruikscoöperaties "Co-op Nederland," Rotter- dam.
Iceland	Samband Isl. Samvinnufélaga, Reykjavik.

Indonesia	Dewan Ko-operasi Indonesia, Djakarta.
India	All India Co-operative Union, New Delhi.
Iran	Army Consumers' Co-operative Society (Cherkate Taavoni Masrafe Artèche), Teheran.
Israel	General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim," Ltd., Tel-Aviv. "Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv. "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, Tel-Aviv.
Italy	Lega Nazionale delle Cooperative e Mutue, Rome. Confederazione Cooperativa Italiana, Rome.
Jamaica	The Jamaica Co-operative Union, Ltd., Kingston.
Japan	Nippon Seikatsu Kyodokumiai Rengokai, Tokyo. Zenkoku Nogyokyodokumiai Chuokai, Tokyo. Zenkoku Gyogyo Kyodokumiai Rengokai, Tokyo.
*Jordan	Jordan Co-operative Central Union, Ltd., Amman.
Malaya	Co-operative Union of Malaya, Kuala Lumpur. *Federation of Co-operative Housing Societies, Kuala Lumpur.
*Mauritius	Mauritius Co-operative Union, Port Louis.
*Mexico	Confederación de Cooperativas de la Republica Mexicana, Mexico.
New Zealand	Hutt Valley Consumers' Co-operative Society, Lower Hutt.
Nigeria	Co-operative Union of Eastern Nigeria, Ltd., Aba. Co-operative Union of Western Nigeria, Ltd., Ibadan.
Norway	Norges Kooperative Landsforening, Oslo. A/L Norske Boligbyggelags Landsforbund, Oslo.
Pakistan	Punjab Provincial Co-operative Bank, Ltd., Lahore. West Pakistan Co-operative Union, Lahore. All-Pakistan Co-operative Association, Lahore.
Roumania	Uniunea Centrala a Cooperativelor de Consum "Cent-rocoop" Bucharest.
Singapore	The Singapore Co-operative Union, Ltd., Singapore.

Sudan	Sudan Co-operative Union, Khartoum.
Sweden	Kooperativa Förbundet, Stockholm. HSB:s Riksförbund, Stockholm. Svenska Riksbyggen, Stockholm. Kooperativa Kvinnogillesförbundet, Stockholm.
Switzerland	Verband schweiz. Konsumentenvereine, Basle. Verband ostschweiz. landwirtschaftlicher Genossenschaften, Winterthur. Verband sozialer Baubetriebe, Zürich.
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 XI.

Subscriptions Received for the Years 1957, 1958, 1959.

	1957.			1958.			1959.		
	£	s.	d.	£	s.	d.	£	s.	d.
Argentina	96	0	0	114	18	0	115	0	0
Australia	40	0	0	40	0	0	40	0	0
Austria	448	4	1	535	13	7	535	10	4
Belgium	693	5	6	990	16	0	1,009	1	0
Brazil	2	7	0	2	7	0	5	15	0
British Guiana	10	0	0	12	10	0	20	16	8
Bulgaria	96	0	0	115	0	0	115	0	0
Burma .....	.	.	.	.	.	.	115	0	0
Canada	279	16	7	429	2	10	450	8	1
Ceylon	100	0	0	100	0	0	100	0	0
Colombia	24	0	0	—	—	—	—	—	—
Cyprus .....	.	.	.	57	12	0	—	—	—
Czechoslovakia	1,806	6	11	2,167	4	0	1,923	0	0
Denmark	600	0	0	720	0	0	740	0	0
Eire	2	8	0	2	8	0	2	17	6
Egypt	10	0	0	—	—	—	—	—	—
Finland	1,182	10	2	1,413	4	6	1,397	0	9
France	2,434	0	3	2,869	16	8	3,084	6	8
Germany	1,146	18	0	1,342	6	0	1,313	12	0
Ghana	96	0	0	115	0	0	115	0	0
Great Britain	10,741	6	0	10,781	5	0	12,955	18	3
Greece	96	0	0	96	0	0	96	0	0
Holland	429	15	0	376	10	0	355	10	0
Iceland	98	0	0	117	0	0	115	0	0
India	60	0	0	60	0	0	60	0	0
Indonesia .....	.	.	.	115	0	0	115	0	0
Iran .....	.	.	.	8	12	6	8	12	6
Israel	360	0	0	385	0	0	421	0	0
Italy	1,160	17	0	1,393	18	0	1,393	16	5
Jamaica	10	10	0	15	0	0	—	—	—
Japan	192	0	0	345	0	0	345	9	7
Jordan	†	.	.	†	.	.	†	.	.
Malaya	96	0	0	115	0	0	115	0	0
Mauritius	25	0	0	25	0	0	25	0	0
Mexico	20	0	0	20	0	0	—	—	—
New Zealand	2	0	0	—	—	—	—	—	—
Nigeria	96	0	0	230	0	0	230	0	0
Norway	430	8	0	428	1	10	414	0	0
Pakistan	128	0	0	96	0	0	96	0	0
Roumania	96	0	0	115	0	0	115	0	0
Singapore .....	.	.	.	.	.	.	10	0	0
Sudan	—	—	—	—	—	—	—	—	—
Sweden	1,436	0	0	1,683	10	0	1,723	4	0
Switzerland	736	10	4	856	14	0	875	18	9
U.S.A.	1,796	0	0	2,174	5	10	2,175	0	9
U.S.S.R.	6,000	0	0	7,200	0	0	7,200	0	0
Yugoslavia	96	0	0	110	16	0	114	18	0
	<u>£ 33,174</u>	<u>2</u>	<u>8</u>	<u>37,775</u>	<u>11</u>	<u>9</u>	<u>40,042</u>	<u>17</u>	<u>0</u>

* Admitted to membership 1958. † Admitted to membership 1959.

List of Speakers

	Page
Abramenko, N. P.	290
Ahmed, R.	91, 92, 197, 198
Anderson, C. A.	117, 118
Ansari, A. Q.	80
Ashworth, H.	115
Babaev, A-A. G.	88
Bajalica, D.	61, 90, 274, 275
Banchieri, G.	78, 270, 271
Barbier, Ch-H.	70, 71, 84, 85, 107, 195, 196, 297, 298
Bardi, O.	86
Bérubé, L.	105
Bhide, M. R. (Secretary to Ministry of Community Development and Co-operation for the Government of India).....	190, 191, 192
Bonow, Dr. M. (Vice-President, I.C.A.).....	56, 57, 58, 74, 75, 76, 121, 142, 143, 144, 259, 260, 261, 262, 263, 282, 283, 284, 285, 286.
Boson, Dr. M.....	101, 102
Briganti, W.....	178, 179
Brot, M. (President, I.C.A.).....	6, 7, 8, 9, 50, 52, 54, 66, 78, 79, 99, 120, 181, 201, 207, 208, 210, 293, 303, 304.
Campbell, W. J.	115, 116, 176
Di Carpegna, Miss G.	296, 297
Cerreti, G.	62, 63, 209, 210, 294, 298
Chevallaz (Mayor of the City of Lausanne)	3, 4
Cook, Mrs. Cecily (International Co-operative Women's Guild)...	16
Cooke, L.....	112
Cowden, Howard A.	118, 119, 120
Crisanti, Mrs. L.....	139
Culbreth, H.	98, 99, 266, 267
Degond, M.....	268, 269
Descoedres, E.	108
Detrixhe-Ancion, Mrs. C.....	295, 296
Dinnage, R.....	137, 138
Doss, B.	139, 140

	Page
Douglas, G. R.	304
Drejer, A. A.	113, 269, 270, 305
Droppa, A.	108, 109
Efter, J.	92, 93
Ewing, A. F. (Economic Commission for Europe)	10, 11
Fedorovich, V. A.	280
Gaeta, Dr. O.	65, 66
Hatta, Dr. Mohammad	174, 175, 201
Henry, R. N. (Food and Agriculture Organisation)	157, 158, 159, 160, 161
Herzog, E. (Swiss Co-operative Union)	4, 5, 6
Hettiarchchi, D. E.	96, 97, 199, 200
Jalava, J.	275, 276
Johanasson, A.	117
John, M. O.	181
Johnsson, A. (H.S.B., Sweden)	116
Kabanov, P. A.	53, 54
Klimov, A. P.	54, 55, 56, 73, 74, 208, 209, 264, 265, 266
Knight, F. R.	66, 67
Kobayashi, S.	63, 208
Kondratov, V. P.	102, 103
Kopriva, L.	59, 60, 87, 273
Korotnyan, V. S.	99
Korp, A.	273, 274
Kularajah, N. A.	97, 98
Laidlaw, Dr. A. F.	192, 193
Lee ab Leng	78, 79, 186, 187
Légère, M. J.	291
Lemaire, H.	110, 111, 112
Lengrand, P. (UNESCO)	13, 14, 15
Linn	185, 186
Malfettani, Dr. L.	64, 89, 90, 103, 104
Di Marco, F.	80, 81

	Page
Marik, M.	77
Martinez, E. U. C.	291, 292, 297
Mateesco, C.	51, 52, 69, 70, 145, 186, 290
Mayr, A.	271, 272
Meins, H.	272
Menghi, V.	114
Milhaud, Professor (International Centre of Research and Information on Collective Economy)	15
Miller, M.	100, 182, 183, 184, 292
Mondini, E.	113
Morand, A.	281, 282
Musaev, F.	76, 77
Nayar, M. I.	97
Nepomucky, J.	79, 140, 141, 189, 190, 206, 207
Nijhof, G. J.	107, 108
Nyi Nyi	205, 206
Odhe, T.	303
O'Meara, J. E. (Food and Agriculture Organisation)	12, 13
Omelchenko, Mrs. L. M.	83
Painter, J.	67, 68
Parashar, V. C.	64, 65, 121, 208
Pasquali, L.	213
Paunovski, D. I.	87, 88, 138
Podlipny, J.	84, 87
Polley, Miss G. F. (General Secretary, I.C.A.)	16, 17, 59, 135, 136, 137, 300
Popov, P. V.	144, 145
Robert, L.	72, 116
Rondeau, F. F.	280, 281
Roy, S. N. (International Labour Organisation)	11, 12
Sai, N. P.	85
Sani Yahaya bin Mohamad	68
Schumacher, C.	61, 62
Scull, D.	93, 94
Serwy, W.	94, 270, 271

	Page
Sery, M.	193, 194, 195
Smrcka, L.	50, 51
Southern, R.	68, 69, 145, 146
Staples, R. S.	60, 61, 288, 289, 290
Stephen, Miss J.	279
Subijakto	184, 277, 278
Surrige, B. J. (Co-operative Adviser to Colonial Office, London)	167, 168, 169
Takov, P. P.	59, 60, 196, 272, 273
Taleb-Begui, F.	193, 194, 195
Tatu	139, 276, 277
Taylor, T.	88, 89, 196, 197
Thedin, N.	302, 303
Tsagareishvili, P. K.	95
Tschudi, Hans Peter (Representative of the Swiss Federal Council)	1, 2, 3
Tun Win	179, 180
Uribe-Garzon, C.	198, 199
Valenza.....	292
Valko, Dr. L.	188, 189
Vande Moortele, G.	211, 212, 213
Verlinsky, N.	267, 268
Del Vicario, D.	109
Vigarani, E.	141
Villumsen, W.	82
Voorhis, J.	71, 72, 95, 96, 200, 201, 291
Wakui, Y.	71, 72, 274
Watkins, W. P. (Director, I.C.A.)	103, 147, 148, 292, 293
Widhe, Mrs. E.	295
Wood, N.	86, 176, 177, 178
Yunusov, K. Y.	187, 188
Zabojnik, A.	104
Ziegler, Mrs. G.	205, 295
Zemek, A.	180, 181
Zopfi, Mrs. A.	105, 106