

# International Co-operative Alliance,

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## REPORT

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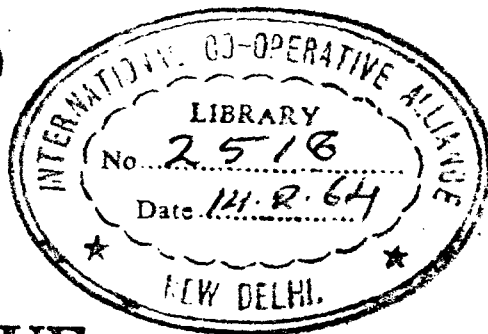
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## SEVENTEENTH CONGRESS

334(100)(063)

ICA

at



## PRAGUE,

27th to 30th September, 1948.

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U.S.A.—Miss Florence Parker.	
Switzerland—Dr. Max Holzer.	
Norway—Mr. Hans Luhn.	
<b>INTERNATIONAL ORGANISATIONS—</b>	
U.N. Information Centre Prague—Dr. Olav Rytter.	
Food and Agriculture Organisation—Mr. A. van Houtte.	
UNESCO—Mr. Eugène Bussière.	
Co-operative Section, I.L.O.—Mr. G. N. Lamming.	
International Federation of Agricultural Producers— Mr. Andrew Cairns.	
W.F.T.U.—Mr. Jan Kabourek.	
International Co-operative Women's Guild—Mrs. E. Egli.	
World Federation of United Nations Associations— Dr. Jan Belehradek.	
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# INTERNATIONAL CO-OPERATIVE ALLIANCE.

Founded 1895.

## President :

Lord RUSHOLME.

## Vice-Presidents :

A. KHOKHLOV, M. D. LINCOLN.

## Members of the Executive :

M. BONOW, M. BROT, J. J. A. CHARBO, J. M. DAVIDSON, A. A. DREJER,  
T. H. GILL, W. SERWY, M. WEBER.

## Director :

THORSTEN ODHE.

## General Secretary :

Miss G. F. POLLEY.

## Members of the Central Committee :

Argentina .....	B. Delom.
Australia .....	K. W. Edwards.
Austria .....	A. Korp, Dr. A. Vukovich.
Belgium .....	Professor L. de Brouckère, W. Serwy.
Canada .....	Professor A. B. MacDonald.
China .....	M. Shaw.
Czechoslovakia .....	J. Kufner, J. Nepomucký, K. Toth, A. Zmrhal.
Denmark .....	I. Th. Arnfred, A. A. Drejer, F. Nielsen.
Finland.....	Y. Kallinen, V. J. Niiniluoto, P. Raittinen, Professor O. Stadius.
France .....	M. Brot, A. Charial, A. Cramois, Dr. G. Fauquet, G. Gaussel, P. Ramadier.
Great Britain .....	J. W. Blower, J. H. H. Codd, J. M. Davidson, T. H. Gill, R. G. Gosling, G. L. Perkins, Lord Rusholme, A. J. Tapping, H. Taylor, Reverend G. S. Woods.
Holland .....	J. J. A. Charbo, J. Roos.
Iceland .....	V. Thor.
India .....	Professor H. L. Kaji.
Israel .....	J. Efter, A. Zabarsky.
Italy .....	G. Cerreti, V. Grazia, O. Spinelli.
Norway .....	R. Arnesen, A. Juell.
Poland .....	J. Janota, J. Jasinski, D. Kuszewski, E. Pszczolkowski, J. Zerkowski.
Sweden .....	S. Apelqvist, Dr. M. Bonow, A. Gjöres, A. Johansson, A. Oerne, N. Thédin.
Switzerland .....	Ch-H. Barbier, Dr. M. Weber.
U.S.A. ....	H. A. Cowden, M. D. Lincoln.
U.S.S.R. ....	I. P. Akhremchik, A. Khokhlov, V. L. Lipovoy, Mrs. E. I. Mityurina, M. B. Narsia, G. Nellis, I. I. Rone, N. P. Sidorov, B. Yankevicius.
Yugoslavia .....	Dr. M. Voutchkovitch.

# THE CONGRESS BUREAU.

**President :**

Lord RUSHOLME.

**Substitutes for Vice-Presidents :**

H. A. COWDEN, N. P. SIDOROV.

**Members :**

Dr. M. BONOW, Ch.-H. BARBIER, J. KUFNER.

**Director :**

THORSTEN OHDE.

**General Secretary :**

Miss G. F. POLLEY.

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## PAST CONGRESSES.

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The International Co-operative Alliance has previously held Congresses at—

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

**SEVENTEENTH INTERNATIONAL  
CO-OPERATIVE CONGRESS.  
PRAGUE, SEPTEMBER, 1948.**

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**GUESTS AND DELEGATES PRESENT AT  
THE CONGRESS.**

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**Guests of Honour.**

<b>Mr. A. Zapotocky</b> .....	Prime Minister of Czechoslovakia.
<b>Dr. Vacek</b> .....	Mayor of Prague.
<b>H.M. Ambassador to Prague</b>	British Government.
<b>Mr. Alberto Basevi</b> .....	Department of Co-operation, Italian Ministry of Labour and Social Welfare, Rome.
<b>Miss Florence Parker</b> .....	U.S. Department of Labour, Washington.
<b>Dr. Max Holzer</b> .....	Swiss Federal Office of Industry, Prague.
<b>Mr. Hans Luihn</b> .....	Norwegian Legation, Prague.
<b>Dr. Olav Rytter</b> .....	United Nations Information Centre, Prague.
<b>Mr. A. van Houtte</b> .....	Food and Agriculture Organisation, Washington.
<b>Mr. Eugène Bussière</b> .....	UNESCO, Paris.
<b>Mr. G. N. Lamming</b> .....	Co-operative Section, International Labour Office, Geneva.
<b>Mr. Andrew Cairns</b> .....	International Federation of Agricultural Producers, Washington.
<b>Mr. Jan Kabourek</b> .....	World Federation of Trade Unions, Paris.
<b>Mrs. E. Egli</b> .....	International Co-operative Women's Guild, London.
<b>Dr. Jan Belehradek</b> .....	World Federation of United Nations Associations, Paris.

## Central Committee.

<b>Austria</b> .....	Korp, A., Vukovich, Dr. A.
<b>Belgium</b> .....	Brouckère, Professor L. de, Serwy, W.
<b>Czechoslovakia</b> .....	Kufner, J., Nepomucký, J., Toth, T. K., Zmrhal, A.
<b>Denmark</b> .....	Arnfred, I. Th., Drejer, A. A., Nielsen, F.
<b>Finland</b> .....	Kallinen, Y.
<b>France</b> .....	Brot, M., Charial, A., Cramois, A., Fauquet, Dr. G.
<b>Great Britain</b> .....	Codd, J. H. H., Davidson, J. M., Gill, T. H., Gosling, R. G., Perkins, G. L., Rusholme, Lord, Tapping, A. J., Taylor, H., Woods, G. S.
<b>Holland</b> .....	Charbo, J. J. A., Roos, J.
<b>Iceland</b> .....	Thor, V.
<b>India</b> .....	Kaji, Professor H. L.
<b>Italy</b> .....	Bardi, O., Casalini, Professor M., Cerreti, G., Dal Fiore, Dr. O., Giacometti, G., Grazia, V., Spinelli, O., Chiri, E.
<b>Norway</b> .....	Arnesen, R.
<b>Palestine</b> .....	Efter, J.
<b>Poland</b> .....	Jasinski, J., Janota, J., Kuszewski, D., Pszczolkowski, E., Zerkowski, J.
<b>Sweden</b> .....	Apelqvist, S., Bonow, Dr. M., Johansson, A., Oerne, A., Thédin, N.
<b>Switzerland</b> .....	Barbier, Ch.-H., Rudin, M.
<b>U.S.A.</b> .....	Cowden, H. A.
<b>U.S.S.R.</b> .....	Akhremchik, I. P., Lipovoy, V. L., Narsia, M. B., Nellis, G., Sidorov, N. P.
<b>Yugoslavia</b> .....	Voutchkovitch, Dr. M.

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

## AUSTRIA.

<b>Vienna</b> —"Konsumverband" Zentralverband der österreichischen Konsumgenossen- schaften .....	Klupp, O. Korp, A. Krämer, Mrs. F. Soswinski, Dr. L. Strobl, Dr. L. Stumfi, F. Vukovich, Dr. A.
---	---

## BELGIUM.

<b>Brussels</b> —Société Générale Coopérative.....	Ancion, Mrs. C. Desmet, L. Dutilleul, E. Giltaix, D. Heyman-Coulon, Mrs. F. Leclerc, L. Logen, F. Kiersbulck, M. Nachez, G. Neusy, L. Papart, J. Roger, J. van Rossem, V. Sipido, J. De Vooght, F.
Fédération Nationale des Coopératives Chrétiennes .....	Eerdekens, J. Lambert, J.

## BULGARIA.

<b>Sofia</b> —Union Centrale Coopérative .....	Boyadjief, I. Wichowgradsky, N.
--	------------------------------------

## CANADA.

<b>Ottawa</b> —The Co-operative Union of Canada.....	Bussière, E.
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## CHINA.

<b>Nanking</b> —The Co-operative League of China.....	Chen, C. M. Shih-chi, Hu. Wang, Shou-Ling.
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## CZECHOSLOVAKIA.

<b>Prague</b> —Ustredni Rada Druzstev .....	Bakula, M. Bernatsky, J. Buresová, Mrs. M. Cerovsky, K. Chorvat, Dr. J. Drocár, P. Duris, Dr. J.
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**CZECHOSLOVAKIA (continued).**

<b>Prague—Ustredni Rada Druzstev (continued) ....</b>	<b>Hatliková, Mrs. S.</b>
	<b>Hodinová, Mrs. A.</b>
	<b>Hornova, Miss M.</b>
	<b>Hromada, E.</b>
	<b>Jedlicka, F.</b>
	<b>Jindra, J.</b>
	<b>Kafka, Ing. K.</b>
	<b>Karovic, S.</b>
	<b>Korna, V.</b>
	<b>Kraus, Dr. O.</b>
	<b>Krocek, L.</b>
	<b>Kubant, F.</b>
	<b>Kunc, Dr. P.</b>
	<b>Kupka, J.</b>
	<b>Maurer, L.</b>
	<b>Metal, J.</b>
	<b>Moravec, J.</b>
	<b>Mrskosová, Mrs. A.</b>
	<b>Ondrousek, J.</b>
	<b>Petrasova, Miss M.</b>
	<b>Pribyl, Ing. K.</b>
	<b>Prochazka, J.</b>
	<b>Rabusic, C.</b>
	<b>Sedlak, Dr. J.</b>
	<b>Sekác, V.</b>
	<b>Skriantová, Mrs. M.</b>
	<b>Spronc, A.</b>
	<b>Vaclavu, K.</b>
	<b>Valterová, Mrs. J.</b>
	<b>Volavka, A.</b>
	<b>Zabojnik, A.</b>
	<b>Zlesak, J.</b>

**DENMARK.**

<b>Copenhagen—De samvirkende danske Andels-</b>	<b>Behnke, H.</b>
<b>selskaber.....</b>	<b>Behnka, Mrs. S.</b>
	<b>Bo-Jensen, A.</b>
	<b>Gobel, H.</b>
	<b>Gottschau, A.</b>
	<b>Groes, E.</b>
	<b>Henrichsen, J.</b>
	<b>Nielsen, C. E.</b>
<b>Det Kooperative Faellesforbund</b>	
<b>i Danmark .....</b>	<b>Bolgann, G.</b>
	<b>Dalgaard, Fr.</b>
	<b>Pedersen, T.</b>

**FINLAND.**

<b>Helsinki—Kulutusosuuskuntien Keskusliitto ....</b>	<b>Jalava, J.</b>
	<b>Kallinen, Y.</b>
	<b>Laakso, J.</b>
	<b>Pekkala, E.</b>
<b>Yleinen Osuuskauppojen Liitto .....</b>	<b>Alajoki, E.</b>
	<b>Hietanen, L.</b>
	<b>Peltola, K.</b>
<b>Osuustukkukauppa r.l. ....</b>	<b>Halme, K.</b>
	<b>Manninen, H.</b>

## FRANCE.

<b>Paris—Fédération Nationale des Coopératives de Consommation .....</b>	Ardhuin, J. Barrier, A. Bayard, A. Berthet, E. Bouilly, G. Boure, —. Bricout, E. Brissaud, A. Brot, M. Buiron, N. Catelas, M. Cibot, J. Cleuet, A. J. Colin, L. Colombain, M. Couvrecelle, E. Degond, M. Delhay, E. Fauquet, Dr. G. Gascon, M. Harasse, N. Heitz, G. Heymann, N. Lacour, P. Lacour, Mrs. F. Langard, M. Morley, R. Nasson, C. Negre, G. Phocion, A. Ponard, E. Pruchon, R. Richard, R. Sery, M. Sery, Miss Seve, J. Vaxelaire, R.
<b>Confédération Générale des Sociétés Coopératives Ouvrières de Production.....</b>	Antoni, A. Maigret, L.
<b>Caisse Nationale de Crédit agricole.....</b>	Cramois, A.
<b>Fédération Nationale de la Mutualité et de la Coopération agricole.....</b>	Cramois, A.
<b>Fédération Nationale de la Coopération Agricole .....</b>	Cramois, A. Louis, R.

## GREAT BRITAIN.

<b>The Co-operative Union .....</b>	Fulton, J. Hough, J. A. Marshall, R. L. Pearson, Mrs. N. Southern, R. Stewart, W. Thirsk, S. Topham, E. Wilson, D.
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GREAT BRITAIN (continued).

**Societies:**

Anniesland .....	Hunter, Mrs. A. H.
Belfast.....	McGowan, Mrs. M.
Beewick .....	Farrell, T. W.
Bristol .....	Cadogan, H. J. Wyatt, H. G.
Darlington .....	Cree, T. T.
Dunfermline .....	Hutchison, Mrs. B. Johnston, Mrs. J.
Failsworth .....	Taylor, A.
Glasgow—Scottish Co-operative Wholesale Society	Ferguson, W. Ferguson, W. W. Paterson, J. S. Brown, Mrs. A. Kennedy, Mrs. J. Muir, J.
Port Glasgow .....	
United Co-operative Baking Society ....	
Greenfield .....	Hobson, W. G.
Greenock—Central .....	Hardstaff, J. W.
Kilmarnock .....	Wilson, M.
Leicester—Co-operative Productive Federation....	Hemstock, A. Taylor, H.
London—London Co-operative Society .....	Harrison, T. White, Mrs. S. M. Corina, J. Douglas, Mrs. L. E. Job, C. C.
Royal Arsenal .....	
South Suburban .....	Burbage, L. V. Licence, H. C. Smith, A. W.
Enfield Highway .....	Austin, Mrs. J. Chambers, A. H.
Women's Guild.....	Cook, Mrs. C. Stonehouse, Mrs. R. M.
Co-operative Permanent Building Society	Dunham, C. J. Score, H. L.
Manchester—Co-operative Wholesale Society.....	Eccles, B. T. Kassell, L. Macdonald, Sir A. Peddie, J. M. Robinson, P. Dinnage, R. Friend, J. J. Jackson, A.
Co-operative Insurance Society .....	
Co-operative Press.....	
Manchester and Salford.....	Black, Mrs. J. Inchcombe, A. E. Jones, Mrs. J.
Middlesbrough .....	Hewitson, Mrs. M.
Pendleton .....	Woolley, J.
Prestwich .....	Langan, H.
Radcliffe and Pilkington .....	Wood, A.
Rugby .....	French, F. R.
Sheffield and Ecclesall .....	Craddock, Mrs. D. M. Tetlow, H. C.
Watford .....	Preston, Miss L. M.
West Calder.....	Toner, Mrs. N.
Wigston Hosiers .....	Russell, Mrs. M. J.
Woking .....	Wareham, W. H.

## GREECE.

**Athens—Pan Hellenic Confederation of Unions of  
Agricultural Co-operatives (S.E.S.).....** Afendakis, J.  
Souliotis, C.

## HOLLAND.

**Rotterdam—Centrale der Nederlandse Verbruiks-  
Coöperaties .....** Bastiaans, H. A.  
Charbo, J. J. A.  
Metman, W. M.  
Roos, J.

## ICELAND.

**Reykjavik—Samband Isl. Samvinnufjelaga.....** Einarsson, E.  
Frimansson, J.

## INDIA.

**Bombay—All-India Co-operative Institutes'  
Association .....** Kaji, Prof. H. L.  
Patel, B. J.  
Varde, V. P.

## ISRAEL.

**Tel-Aviv—General Co-operative Association of  
Jewish Labour in Erez-Israel—  
“ Hevrat Ovdim ” .....** Gorochovsky, F.  
Guelfat, Dr. I.

## ITALY.

**Rome—Lega Nazionale delle Cooperative .....** Alciati, G.  
Armentano, C.  
Bandieri, P.  
Bardi, O.  
Basile, Mrs. C.  
Bertazzoni, A.  
Bonelli, Dr. R.  
Brandi, W.  
Brunoldi, Dr. E.  
Brusa, A.  
Cappelaro, I. D.  
Castelli, Miss C.  
Casalini, Prof. M.  
Castagno, G.  
Catte, S.  
Cenerini, Dr. R.  
Cerreti, Hon. G.  
Cerreti, Mrs. A.  
Chiostrì, J.  
Cois, R.  
Crisanti, Miss L.  
Curti, I.  
Dallo, Mrs. G.

ITALY (continued).

Rome—Lega Nazionale delle Cooperative (cont.).. Dal Fiore, Dr. O.  
Farina, Dr. L.  
Fontanesi, O.  
Franceschelli, Dr. M.  
Francovic, E.  
Frusca, L.  
Grazia, Miss P.  
Gherpelli, I.  
Ghezzi, C.  
Giacometti, Hon. G.  
Gianfranchi, Prof. F.  
Grazia, Hon. V.  
Greppi, D.  
Jernini, Av. G.  
La Loggia, E.  
Manzetti, C.  
Marchini, Dr. S.  
Marchioro, D.  
Mariconda, M.  
Mariani, N.  
Mazzolani, F.  
Menaguale, G.  
Mengaroni, Dr. F.  
Morandi, R.  
Parigi, Miss G.  
Pirani, Prof. C.  
Pulcinelli, E.  
de Plaisant, G.  
Previtera, O.  
Pupeschi, M.  
Rocco, Miss G.  
Salvarani, O.  
Sassaro, V.  
Sbandati, A.  
Scanferla, B.  
Spinelli, O.  
Susco, Mme.  
Tanini, D.  
Tedesco, Miss G.  
Tolino, Av. G.  
Tebbi, A.  
Tucci, A.  
Valenti, A.  
Vallechi, Mrs. L.

Confederazione Cooperativa Italiana ..... Albonetti, A.  
Belli, G.  
Chiri, Av. E.  
Sanseverino, Dr. L.

NORWAY.

Oslo—Norges Kooperative Landsforening ..... Andersen, W.  
Arnesen, R.  
Fjæstad, K.  
Flaa, H.  
Gausland, J.  
Haugen, R.  
Hovind, C. O.  
Jullum, Bj.  
Moe, I.  
Nilssen, S.  
Søiland, P.

## POLAND

<b>Warsaw</b> —"Spolem" Związek Gospodarcy Spoldzielni .....	Bazyk, T. Bienkowski, A. Bilewicz, T. Bodalski, J. Brym, M. Dembinska, Mrs. Z. Domanski, J. Dominko, J. Dubinski, M. Fijalkowski, W. Grozowa, Mrs. J. Hauboldowa, Mrs. O. Janczyk, T. Janota, J. Jasinski, J. Jedrzejczak, Mrs. K. Kaczoča, A. Kiljanczyk, J. Kuszewski, D. Kusto, F. Lewicki, B. Maciejek, E. Matuszewski, S. Michalski, S. Nowicki, M. Nowierski, J. Ochab, E. Olesinski, M. Orsetti, Dr. M. Paduchowa, Mrs. E. Parasiak, Miss M. Pszczolkowski, E. Rog-Swiostok, Mrs. B. Slezak, F. Stankiewiczowa, Mrs. S. Stawinski, E. Surzycki, S. Swiecicka, Mrs. J. Swierkosz, S. Szczesniak, J. Tolwinski, S. Wojnowski, T. Zelicki, P. Zerkowski, J. Zimny, S.
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## ROUMANIA.

<b>Bucharest</b> —Institutul National al Cooperatiei....	Agiu, C. Ilie, D.
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## SWEDEN.

<b>Stockholm—Kooperativa Förbundet.....</b>	Andersson, C. A. Andersson, G. E. Apelqvist, S. Bergström, Mrs. G. Blomberg, N. W. Bonow, Dr. M. Claesson, Miss M. Edelman, E. Edstam, H. Engström, A. Eriksson, E. Eronn, L. Flink, A. Fraenkel, B. J. Friberg, K. A. Granlund, F. Gruveman, C. Jansson, C. V. Jansson, J. Johansson, A. Jonsson, A. Jonsson, M. Karlsson, G. Karlsson, J. Kjellberg, S. Lindskog, C. Magnusson, T. Malmström, C. G. Oerne, A. Petersson, V. Pettersson, H. Thédin, N. Sohlenius, H. Stahre, S. Arne Stolpe, H. Sundin, R. Wahlstedt, V. Wilstam, G.
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## SWITZERLAND.

<b>Basle—Verband schweiz. Konsumvereine (V.S.K.)</b>	Althaus, H. Barbier, Ch.-H. Dangelmeier, H. Handschin, H. Karlen, H. Maurer, —. Milhaud, Prof. E. Münch, Mrs. R. Probst, O. Rudin, H. Ruf, Dr. W. Ryser, Mrs. P. Schmid, G. Seiler, P. Sigg, —.
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U.S.A.

Chicago—The Co-operative League ..... Cowden, H. A.  
Marchant, L. R.  
Miller, C.  
Townsend, D.

U.S.S.R.

Moscow—All-Russian Central Union of Consumers' Co-operative Societies of the U.S.S.R. and R.S.F.S.R. "Centrosyus" ..... Akhremchik, I. P.  
Anikuva, E. V.  
Antonova, J. A.  
Bokov, G. A.  
Chenchikovski, S. F.  
Drojin, N. V.  
Galagan, E. A.  
Galakhova, Mrs. E. A.  
Gorelovskaya, Mrs. M. P.  
Klimov, A. P.  
Kolesnikov, P. I.  
Krayoushin, D. S.  
Kulikov, A. G.  
Lipovoy, V. L.  
Moiseenko, V. G.  
Morozov, G. M.  
Narsia, M. B.  
Nellis, G. A.  
Orechanov, A. F.  
Posina, Mrs. E. A.  
Shakh, Mrs. L. V.  
Shevjakov, P. I.  
Sibirtsev, P. A.  
Sidorov, N. P.  
Shulga, Mrs. E. G.  
Timofeev, D. S.

YUGOSLAVIA.

Belgrade—Glavni Zadruzni Savez..... Gajic, Vaso  
Lackovic, M.



**PROCEEDINGS**  
**OF THE SEVENTEENTH CONGRESS**  
**OF THE**  
**INTERNATIONAL CO-OPERATIVE ALLIANCE.**

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**FIRST SESSION.**

**Monday, 27th September, 1948.**

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**Opening of the Congress.**

The beautiful and renowned Smetana Hall of the Municipal House, Prague (Obecní dům hlavního města Prahy), gave the 17th Congress of the International Co-operative Alliance a most fitting setting. The richness of its architecture needed no embellishment, and the only additional adornments were a beautiful array of trees and flowers and, at the back of the spacious platform, suspended from the high ceiling to floor level, the rainbow flag of the I.C.A. and the flag of the Czech Republic.

As the delegates took their seats they enjoyed an organ recital of Czech music, and Czech songs sung by children in their picturesque national costumes..

Precisely at 9-30 a.m., Lord Rusholme, President of the I.C.A., led the platform party to their places. The music stopped and immediately from the organ loft came a fanfare of trumpets, whose shrill, sweet notes filled the Hall. The timing was perfect, and the effect was wonderful.

Lord Rusholme was accompanied by the members of the Congress Bureau, Messrs. Howard Cowden and N. P. Sidorov, deputising for the two Vice-Presidents of the I.C.A., Ch.-H. Barbier, Dr. M. Bonow, J. Kufner; by Mr. Thorsten Odhe, Director of the I.C.A., and Miss G. F. Polley, the General Secretary; also by a large and distinguished company of Guests and Fraternal Delegates.

The Congress comprised 444 delegates and members of the Central Committee, representing the National Co-operative Movements of 24 countries.

In opening the proceedings, Lord Rusholme welcomed all the delegates and visitors in the name of the I.C.A. "We have a beautiful morning for the opening of this Congress," he said; "we are meeting in a most beautiful hall, and I am sure everybody will agree with me that the fanfare of trumpets to which we have just listened gave an inspiring note to the commencement of our proceedings. I hope that inspiring note will remain with us throughout the Congress, and that when we conclude we shall be able to feel that this Congress has rendered great service to the cause of International Co-operation and of Peace.

"The Congress is honoured by the presence with us of a company of distinguished men and women, including representatives of National Governments and International Organisations with which the I.C.A. is associated."

### **Greetings from the Government of Czechoslovakia and the City of Prague.**

**The Prime Minister of Czechoslovakia, Mr. A. Zapotocky:** On behalf of the Czechoslovak Government, I bring greetings to this International Congress and to all the delegates. We are very glad that we can offer hospitality to your Congress, and we do not hide our satisfaction at this fact. The international reactionary press has recently made strong attacks against this country, writing about it as a country where there is no freedom, and where, in fact, terror reigns. Yet, a great number of International Congresses are being held in Prague, and very many delegates come continuously from all countries, even from those in which the press is attacking our country. We do not believe that these delegates would come here if they believed they would be in any danger. They would certainly think for a long time before deciding to go to Franco Spain, even though that country is regarded by some organs of the press as a suitable partner for the Western countries.

Our Government and our country are convinced of the great value of the International Co-operative Congress to the Co-operative Movement. We see in the Co-operative Movement an important factor in the reconstruction of society and the foundation of a new social order. In our opinion, however, the Co-operative Movement can fulfil this progressive task only when it is constructed, organised, and directed to work against the old capitalist order and to fight exploitation. If the Co-operative Movement goes hand in hand with the capitalist order, accepts it and makes agreements with the exploiters, it will not be a progressive factor. We in this country are trying to make the whole Co-operative Movement a progressive factor in the fight against reactionary exploitation. We are very anxious that our Co-operative Movement and the International Movement should fulfil this task. It will be a great contribution to the work of the working people for world peace and progress if your Congress will endorse the idea of the Co-operative Movement as a progressive factor in the construction of a new social order, and if you will deal with this question in your Congress Agenda and your decisions.

As an old co-operative worker who started work in the Co-operative Movement forty years ago, I wish your Congress and its work every success and the best of good fortune.

**The President:** In the name of the Congress, Mr. Prime Minister, I thank you very cordially for the welcome that you have extended to us. It gives us particular pleasure and satisfaction to know that you are one of the many co-operative employees in numerous countries who have reached high political distinction, and we most sincerely congratulate you.

**Dr. Vacek, Mayor of Prague:** It is with great pleasure that I greet all the delegates to the 17th Congress of the International Co-operative Alliance in Prague. We are sure that your Congress will strengthen the idea of progress and better social conditions for all working people, secured through the co-operation of all Co-operative Organisations in the various countries. I wish you all success in your efforts to fulfil the worthy task with which you are charged.

After thanking the Mayor of Prague for his welcome, Lord Rusholme introduced Mr. A. Zmrhal, President of the Central Co-operative Council of Czechoslovakia.

### **Welcome of the Czech Co-operative Movement.**

**Mr. A. Zmrhal, President, Central Co-operative Council of Czechoslovakia:** I am very honoured and pleased to fulfil the task entrusted to me by our Central Council and I greet sincerely all the delegates to the 17th Congress of the International Co-operative Alliance, on behalf of Ustredni rada druzstev and of all Czechoslovak co-operators. I am very glad to see here such a great number of delegates of the affiliated organisations from so many countries. I hope you will all like Czechoslovakia, that you will always remember Prague, and that you will remain our good friends. We do not hide some of the difficulties we have. They are partly the consequence of the bad harvest last year, partly the inheritance of the capitalist system, and especially the aftermath of the ruinous fascist occupation and of the second great war.

Our working people are building their new state on the new popular democratic basis with enthusiasm. We are trying to make up for the evils which were brought about by the war, and our co-operators and Co-operative Societies of all sectors are actively participating in this work, faithful to the principles of Co-operation and remembering that one of the most important conditions of successful co-operation is honest, devoted, and assiduous work. Our productive work is fully appreciated by our population, as is proved by the growing number of Co-operative Societies of all kinds. In the last three years the number of members has grown from 2½ to 4½ millions. We consider the creation of a united Co-operative Movement, and its unanimous programme, to be our greatest success. It is really a great success, because before the second world war our Co-operative Movement was split into many parts, and sometimes there even existed competing societies. It is also a great success that the importance of Co-operation is fully appreciated by our State and by competent members of our Government. Co-operation is mentioned in the economic part of our new Constitution and, as an appreciation of our good work, it is stated that our State will support Co-operation. The exclusive right of purchase of all agricultural produce was given to Agricultural Co-operative Societies; the Consumers' Co-operative Societies

have special tasks in providing the population with goods which are still scarce. Eighty per cent of our farmers are members of Agricultural Co-operative Marketing Societies; Consumers' Societies provide one-third of our inhabitants with goods. Recently, the State has taken over some of the tasks which in the past were an important part of the duties of the Co-operative Societies, such as the control of prices, and has given the Societies a stable basis, also security for future development.

For three years in this country we have not had a strike caused by economic and social circumstances; our currency is firm; we have no unemployed; capitalist cartels, trusts, and monopolies do not dominate our economic life. This is the proof of our good state of things.

Our Co-operative Movement represents a great economic power, and, therefore, is very interested in the economic policy of the State. Besides that, Co-operation, as an organisation of needy people, is striving to raise the living and cultural standards of working people. Our Movement is entrusted with important tasks and it is collaborating closely with the united Trade Union Movement and the Agricultural Unions. This collaboration with Trade Unions and farmers is necessary on all economic questions, price policy, legislation, and so on. Our economic development could be achieved more quickly if we could get credits for buying the raw materials that we need for our industry and which are possessed by the Western capitalists. We cannot accept the conditions laid down by the capitalists because we do not want our fight for national liberty and independence to have been in vain. Our greatest wish is to work and create in peace. We want international friendship, and we are working not only for the welfare of our nation, but also for other nations all over the world.

The 17th Congress of the I.C.A. will discuss different questions and problems in which all co-operators are interested. I express the hope that it will be of great importance for the prestige of the I.C.A. and for the Co-operative Movement all over the world. I hope that the delegates will express their wish for lasting peace, as they did at preceding Congresses, which will reinforce the world peace front and condemn the war-mongers. I am sure that the delegates of all States have the greatest goodwill to help in our great work.

On behalf of Ustredni rada druzstev I thank the Central Committee very much for choosing "golden Prague" to be the venue of the 17th Congress of the I.C.A., and in its name I wish the Congress the best success. I am sure that it will contribute by its decisions to the closer collaboration and the strengthening of the friendship and good relations of co-operators all over the world.

**The President:** On behalf of the Congress, I thank Mr. Zmrhal for his welcome. I know that he and his colleagues of the Czech Co-operative Movement are very happy to have us here, and we on our part are glad to be with them. We hope that on many occasions in the future we shall have the pleasure of collaborating with them for the benefit of the Co-operative Movement.

## Address of the President.

**Lord Rusholme:** We are here this morning to open the 17th International Co-operative Congress. The Congress meets in Prague for the first time. It should have met here in 1940, but the war prevented that; it should have met here in 1946, but the prevailing economic and financial circumstances were unfavourable. But our friends of the Czech Co-operative Movement never admit failure; they always insist that success will come, and, as a consequence of the repeated invitations which they have given, Congress meets this week in this beautiful capital of a young Republic in Central Europe, in a State whose history is intimately interwoven with great world events, in a State tender in years compared with many whose National Co-operative Movements are represented. Whilst this is the first time the International Co-operative Congress has met in Prague, the Committees of the I.C.A. have met here on several occasions, both before and since the war, and we know that the true co-operative traditions lie deep in the hearts of these people, that their aspirations for the future greatness of their co-operative institutions are strong and vigorous. I pray that it may long be so.

No one regrets more than I do the atmosphere of tension which overhangs the international situation to-day. No true co-operator can be other than apprehensive at the critical circumstances, so different from what we had all hoped to see once nazism and fascism had been overcome. The peoples of all nations wish to live in peace, for to them the slaughter, the waste, the chaos and the havoc of war are an avoidable abomination. Disputes between nations are bound to arise, but none, surely, is beyond settlement by conciliation and arbitration. I trust all people, and especially co-operators, will be articulate on this matter, so that the world does not again plunge into the abyss of war. That will demand toleration, consideration for others, patience on all sides, and an increasing recognition that there is a brotherhood amongst the people of all nations. These qualities have been highly developed amongst co-operators and within the Co-operative Movement. They are qualities which must be displayed in the wider realm of international relations.

This Congress, meeting in Prague, is a manifestation to the world that the peoples of all the nations represented here are willing to extend to each other the hand of friendship. I hope that our proceedings will be conducted amicably and cordially, that the Congress will convey to the world that message of hope which the rainbow flag flying boldly over this beautiful city of Prague symbolises, and that it will mark the turning point in the post-war history of international relations.

I feel it appropriate to emphasize that the contribution which the Co-operative Movement may make to the restoration and maintenance of peace is very largely dependent upon its retaining its status as a free institution in all countries. The complete subjection of co-operators and their economic institutions to the State deprives them of their potential status as militants in the cause of world peace. I therefore urge that co-operators of every country must cherish and must strive for the freedom and independence of their Movement.

Whilst our minds are apt to become oppressed by the international difficulties which have developed since the close of the war, there are some

less dramatic but nevertheless some very solid achievements which should not be overlooked. Deadlocks have emerged over certain political issues; economic frustrations have faced many nations; but we cannot ignore the positive achievements in other directions. Important Economic Commissions of the United Nations for different regions of the world—for Europe, for the Far East, for Asia, for South America—have been created, which are bringing together representatives of the nations for mutual discussions and for fact-finding surveys. This international collaboration on a large number of problems must be doing an enormous amount of good in breaking down the barriers which exist between nations, and the full benefit of this survey and research work must yield enormous good, which will prove invaluable for those generations which are to come. I am proud to be able to say that the Alliance is associated with this constructive international work.

We are gathered here, as I have already said, at a moment when international relations are in a most serious condition, but I suggest that the very seriousness of the world situation accentuates the importance of our Congress. It is by no means an obscure event. Our deliberations will be followed in many parts of the world for some sign that the International Co-operative Movement, with its century-old democratic foundations, is indeed an instrument making for peace and understanding. That the Congress meets in Central Europe is itself significant because of the divisions which have developed between Governments in the East and Governments in the West. As co-operators we are concerned that there shall be no divisions amongst us; there must be unity of purpose and unity of action, and this must be combined with a determination to strive for peace. It is inevitable that differences of opinion will arise during the course of our debates, but if we will approach all our problems in the true co-operative spirit I am convinced that we shall be able to find a solution which will be acceptable to all.

On behalf of the Central Committee of the International Co-operative Alliance, I extend to you a very cordial welcome to the 17th Congress, which by its deliberations, I trust, will help to carry co-operators of the world forward towards their co-operative goal.

### **Reception of Fraternal Delegates and Guests.**

**The General Secretary, Miss G. F. Polley:** As is usual, the Congress of the Alliance is honoured by a number of Guests and Fraternal Delegates. Those present this morning include His Excellency the British Ambassador to Czechoslovakia; Mr. Alberto Basevi, Director-General of Co-operation in the Italian Ministry of Labour and Social Insurance; Miss Florence Parker, of the Department of Labour, U.S.A.; Dr. Max Holzer, of the Swiss Federal Office of Industry; Mr. Hans Luhn, of the Norwegian Legation in Prague; Dr. Olav Rytter, of the United Nations Information Centre in Prague; Mr. A. van Houtte, of the Food and Agriculture Organisation of the United Nations; Mr. Eugène Bussière, of UNESCO; Mr. G. N. Lamming, Chief of the Co-operative Service of the International Labour Office; Mr. Andrew Cairns, Secretary-General of the International Federation of Agricultural Producers; Mr. Jan Kabourek, representing the Secretary-General of the World Federation of Trade Unions; Mrs. E. Egli, President of the International Co-operative Women's Guild; Dr. Jan Belehradek, of the World Federation of United Nations Associations.

**The British Ambassador:** It is an honour and a pleasure for me to be present at this Congress at the invitation of the International Co-operative Alliance as the representative of the British Government. It is indeed appropriate and right that the British Government should take a close and sympathetic interest in the Alliance. Great Britain is proud of the fact that on her soil was formed, more than a century ago, the Co-operative Movement, which in the passage of time has grown to world-wide influence and importance. This Movement was brought to birth not by an act of Government, not by any administrative stroke of the pen, but, like so many British institutions, by the people themselves. It grew, a natural growth, as the response of a free people to the changing economic and social conditions of the industrial age. This process of growth is not over, and I hope that it may long continue along the same path of natural development. In this way I am sure that the Movement will have an ever-growing contribution to make in a changing world to the economic and social well-being of individual States and of mankind as a whole.

The moving impulse of the Co-operative Movement in Great Britain was, and continues to be, the desire of men to work together for mutual self-help by voluntary association and in the interests of the whole community. I believe that these principles, which animated the Rochdale Pioneers, still hold good, and that the strength of the Movement in its international aspect lies in the desire of peoples of different race, creed, culture and language, co-operating in a free and voluntary medium, to work together for the benefit of all.

In this historic city of Prague, under the hospitable roof of the Czechoslovak Government, I wish you good luck and success in your deliberations.

**Mr. Alberto Basevi,** Director-General of Co-operation in the Italian Ministry of Labour and Social Insurance: In the greetings which I had the honour to convey on behalf of my Government to the 16th Congress of the International Co-operative Alliance at Zurich two years ago, I spoke of the struggles which the Italian Co-operation, reborn after 25 years of fascist oppression, was waging in the Constituent Assembly and throughout the country for the reconstruction and development of a true Movement. It, therefore, gives me very great satisfaction to state to-day that these efforts have, to a large extent, been crowned with success. Indeed, the Constitution of the Italian Republic declares in Article 45 that the State "recognises the social function of Co-operation, based on mutual aid and the exclusion of the private profit motive, and pledges itself to encourage the development of the Movement by all possible means." This solemn recognition by the State—which gives to Co-operation the same right of citizenship as other economic forces which, on account of their social importance, it is the duty of the State to defend and to aid in their development—has its complement in other legal provisions, such as Law No. 1577, of 14th December, 1947, which amongst other things institutes compulsory auditing, provides for the recognition of the National Associations entrusted with the functions of representation, assistance and supervision to which as a rule the auditing functions are entrusted, and lays down rules regarding the number and qualifications of members as well as the limitations of capital necessary to safeguard the mutualistic character of the enterprise and, at the same time, to augment its financial possibilities. Then there is the law which raises from Lire 5

million to 20 and 20 to 100 million the amount which may be granted to Labour Co-operatives and their Federations for public contracts; the legal provisions which assure important contributions by the State to Building Societies; the provisions which accord concessions to Agricultural Co-operative Societies which have received uncultivated land; the provisions relating to concessions regarding fishing rights in crown and other fishing waters to Fishermen's Co-operative Societies; and finally the decree of 15th December, 1947, which created within the National Labour Bank a special Section for Credits to Co-operative Societies, which has been endowed with a capital of Lire 500 million, of which Lire 300 million were contributed by the State, and a State Guarantee Fund of Lire 2 milliards, and which during its first six months of existence has granted to Co-operative Societies credits exceeding Lire one milliard. This important Government action in favour of Co-operation is accompanied by a revival of activity in its organisation and development. Under the guidance and encouragement of the two large and legally recognised National Organisations—Lega Nazionale delle Cooperative and Confederazione Cooperativa Italiana—Co-operation is perfecting its structure, waging an intensive fight against false Co-operative Societies and undertaking the creation of large national economic organisations. On the other hand, the reconstituted Central Co-operative Commission is engaged in a struggle for the reform and the co-ordination of the existing laws relating to Co-operation.

Another field in which there is noteworthy activity is that of co-operative education and the training of managers and auditors by means of special schools and courses for co-operators which are being organised in all parts of Italy from Rome to Milan, Tuscany to Sicily, even to Taranto. Finally, mention must be made of the steadily increasing participation of women in Italian Co-operation by the formation of Women's Handicraft Co-operative Societies, and the admission of growing numbers of women as members of Societies, especially Consumers' Societies.

About 22,000 Societies, with more than 5 million members who, with their families, comprise 20 million individuals, represent to-day the strength of Italian Co-operation.

Two years ago at Zurich, I said that the Italian co-operators, who were the first to suffer the fierce blows of fascist oppression, were tending their wounds with faith, steadfastness and love and that their past glories and sorrows gave them the right to take their place, with head erect, among the co-operators of the whole world. This right received prompt recognition by the International Co-operative Alliance by the admission into membership of the Confederazione Cooperativa Italiana and the Lega Nazionale delle Cooperative. For this the millions of co-operators members of these Organisations express their heartfelt thanks by assuring you that their Movement will march side by side with the Movements of other countries towards the achievement of those aims which, in the political, economic and social spheres, constitute the very essence of Co-operation. The Italian Movement, with the Movements of other countries, hopes to promote and to strengthen those fruitful exchange relations in every sphere of activity—commercial, industrial, financial, cultural—in which the brotherhood of the peoples finds expression, and Italian co-operators will be good soldiers in that great army which, under the leadership of the International Co-operative Alliance, fights to restore peace, justice, freedom and full employment for a war-weary world.



To this declaration of faith and goodwill which the Italian co-operators address to the co-operators of the world, with these hopes and wishes, I join the most cordial greetings of the Italian Ministry of Labour and Social Insurance.

Mr. A. van Houtte, Food and Agriculture Organisation, delivered the address prepared by Mr. A. H. Boerma, who was prevented from being present:

By sending a representative to the 17th Congress of the International Co-operative Alliance, the Director-General of the United Nations Food and Agriculture Organisation manifests the importance which he attaches to your deliberations. The FAO is deeply interested in all outward manifestations of International Organisations—governmental, semi-governmental or private—which, by their aims and activities, can contribute to the realisation of the objectives assigned to it by its Constitution. As you will know, it was the first of the Specialised Agencies of the United Nations to be established, in November, 1945, at Quebec, even before UNO itself. The 42 Nations which immediately signed the Act of Constitution, and the 15 Nations which have since joined FAO, attach great importance to its high social, moral and humanitarian aims, and have agreed to do everything within their power to raise the nutritional standard of the peoples of the world; to increase the production and improve the distribution of alimentary and agricultural products; to improve the conditions of life of the rural populations and thus contribute to an expanding world economy. The Organisation set to work with determination and enthusiasm, despite the difficulties of the moment, despite its youth and inexperience. But from its very beginning it was faced with a problem of exceptional gravity, I refer to the world food shortage, the urgency of which demanded the greater part of the time and activity of FAO, as well as the funds at its disposal.

In view of the fact that food production in Europe, for example, had decreased in the proportions which we know, because the means of production had been destroyed and the distribution of products was completely disorganised for want of transport, there was no time for hesitation; FAO assumed its responsibilities. A modification of the structure of the Organisation was demanded, and the United Nations unanimously decided that an organism was required to control the food situation constantly. This gave rise to the establishment of the World Food Council. The situation is slowly improving. The prospects of this year's harvest are very good, and a fairly perceptible improvement in the situation of Europe is expected, although production in the different sectors of agriculture will not exceed 70 to 90 per cent of pre-war production. In certain very specialised sectors there is already over-production. We will call it, rather, bad distribution, for we must never lose sight of the fact that it is generally admitted that 70 per cent of the world's population before the second world war was undernourished. Since then, world population has increased by some 150 millions, whilst the revenues and the standard of living of most nations have decreased rather alarmingly. This shows the magnitude of the almost superhuman task entrusted to FAO, a task which it cannot discharge without the support of all those of goodwill in helping it to maintain and rouse initiative. This is why it expects a united effort to increase agricultural production, as the only means by which 75 per cent of the population of the world can increase their income and standard of living.

The possibilities of action on the part of Co-operative Societies, in the sphere of production as well as distribution, are immense and it is hoped that as in the past they will give a real impetus to production. FAO has not yet been able to do a great deal in the sphere of Co-operation. Despite its active interest and earnest desire, it has not been able to carry out the many recommendations made to it in this connection, as it had to concentrate especially on the problems created by the world food shortage. In addressing myself to you I would ask you to make our constant preoccupations your own, to let them inspire your activities and your whole Movement which is eminently social in its aims and action. For the ultimate object of your activity, as of ours, is the human being—it is man. By our efforts to bring him happiness at his work and well-being through his work, we are doing something eminently meritorious. But by developing in him the social sense, the sense of the community, the sense of common interest, as you are doing in your Co-operative Societies, you are accomplishing a work of pacification between individuals as well as between peoples. In making man the centre of your preoccupations, with all that this involves in the sphere of material, moral and social betterment, you are working for peace, for peace can only be assured to the extent that man is freed from want.

**Mr. Eugène Bussière**, United Nations Educational, Scientific and Cultural Organisation: First of all I wish to thank you on behalf of UNESCO for the very kind invitation sent by the I.C.A., and to wish the greatest success to your Congress. UNESCO, as you know, is the United Nations Organisation for Education, Science and Culture. Its aim is to promote international understanding by education, science and culture, and to establish the basis for a lasting peace, lasting because it will be established not only upon what all people have in common but also upon a knowledge of the differences between peoples.

Since its inception in 1946, UNESCO has inscribed on its programme the education of adults, and it has made an appeal for co-operation in this field. For the realisation of its projects in education, it has appealed to specialists in the field of co-operative education. UNESCO, therefore, attaches the greatest importance to your work, because you are working concretely for a better understanding in the international field.

**Mr. G. N. Lamming**, Chief of the Co-operative Service, International Labour Office: I have very great pleasure in bringing you the following message from the new Director of the I.L.O., Mr. David Morse—"I am very sorry that, as new Director-General of the International Labour Office, I am unable to-day to follow in the footsteps of our first Director, Mr. Albert Thomas, and visit your Congress in person. Down the years the I.L.O. has always had a staunch ally in the millions of members of the Co-operative Movement, which is doing so much to improve the lot of the working people of all countries. I should, therefore, have liked nothing better, if the General Assembly of the United Nations were not in session, than to be with you myself, and to follow your deliberations at first hand. However, I am asking Mr. Lamming, Chief of the Co-operative Service of the I.L.O., to represent me, and to represent all of us at the International Labour Office in wishing you God-speed on your important undertakings."

This message will, I think, demonstrate to you all that the present Director-General of the I.L.O. is fully determined to uphold the traditions

established and pursued by his predecessors since the foundation of the I.L.O., nearly 80 years ago, of maintaining the closest possible relations with the Co-operative Movement. What, in effect, is the basis of this tradition? It is quite simple. The International Labour Organisation seeks, through international action, to improve labour conditions, raise living standards, and generally to promote social and economic progress among the peoples of the world. This being the case, it is natural for the I.L.O. to pay the greatest possible attention to the Co-operative Movement, which, of all social movements, is that which has the greatest geographical extension; which, through its various forms, is connected with almost every branch of economic and occupational activity; and which is so deeply rooted in the needs of human life and labour that it offers a profound insight into social and economic problems. Closely related to the interests of labour by the very composition of the social groups which it embraces, the Co-operative Movement in all its forms, urban and rural, has manifested its fundamental interest in the amelioration of labour and social conditions generally, and has, indeed, by its practical measures in this field, often anticipated legislative developments.

The actual and possible application of co-operative principles and methods is, therefore, being given very close attention by the I.L.O. To name but one important recent example, the Preparatory Asian Regional Conference in New Delhi last year gave consideration to co-operative organisation as a means of rural reconstruction. This subject will be pursued in practical detail at the next Asian Conference, and the Service for which I am responsible is engaged upon an intensive study of the question. The Near and Middle East Meeting of the I.L.O. in November, 1947, likewise affirmed that the creation and development of Co-operative Societies was to be regarded as an important aim in the policy of the countries concerned, and that appropriate measures of encouragement should be taken to this end.

Centrally, the I.L.O. is seeking to strengthen its collaboration with the Co-operative Movement through the medium of its Advisory Committee on Co-operation, which we are now engaged in constructing. Apart from studying purely co-operative problems, the object of this Committee will be to provide the Co-operative Movement with an opportunity of bringing its point of view, experience and advice to bear upon the consideration of problems with which the I.L.O. is concerned. Obviously the Co-operative Movement in its various forms touches at a great many points many of the questions with which the I.L.O. is called upon to deal. It is our earnest hope that the collaboration between the I.L.O. and the Co-operative Movement can make an important contribution towards fulfilling the affirmation contained in the famous Declaration adopted by the International Labour Conference in Philadelphia, an affirmation to which co-operators can no less whole-heartedly subscribe, that "All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity."

Mrs. E. Egli, President, International Co-operative Women's Guild: Up to the present it has not been possible to create a new economic order which would assure the supply of consumer goods in sufficient quantities. The existing economic order permits only the production of goods which afford large profits to certain individuals. It is the woman with the basket

who will decide the necessary time to attain the distant object of a new economic order of justice and peace. The late Margaret Llewelyn Davies once said: "To overthrow a Government is not the only thing that is revolutionary; the purchase of a pair of shoes in a Co-operative Society is equally revolutionary!" No one can say that he is satisfied with the present state of affairs. But we, as fathers and mothers, want to create a better future for our children and grand-children. And it is a fact that only those who help themselves will contribute to a better future. Our fathers and brothers grasped this truth, and, following the example of the Rochdale Pioneers, they established magnificent Organisations of mutual aid. This is an encouraging basis for the future. We must develop our own enterprises; we must manufacture to an ever-increasing degree our own goods and distribute them ourselves. For us women that is the economic guarantee of peace, but it can only be realised in the near future if an ever-increasing number of women make their purchases in the co-operative store. While the women will decide what must be produced and how it must be produced, it is the task of the men to see that products of superior quality, at low prices, are sold in co-operative shops to induce women to shop there; it is also their duty to help the Women's Organisations to educate the serious-minded women, capable of contributing to the building-up of a new world.

Experience in our work shows that in the Co-operative Movement everyone can collaborate harmoniously, even though he may be a convinced adherent of one political party or another and whatever his religious convictions may be. Herein lies the moral guarantee of peace, without which the economic guarantee of peace would be valueless.

The Co-operative Movement for us, women, is what the lever was to Archimedes—strong enough to shift the world. Let me repeat the words of the Swedish co-operative women: "The International Co-operative Women's Guild has succeeded in creating a powerful sentiment of international co-operation among women co-operators." Women must occupy themselves with important international problems which are common to all, and this in collaboration with the International Liaison Committee and sub-sections of the United Nations Organisation.

In July, 1948, the International Co-operative Alliance stated that in many spheres the will to co-operate was lacking. That will exists in the women's organisations, but in order to make them a powerful instrument a great deal of educational work in the family is necessary. The International Co-operative Alliance and all the National Co-operative Organisations must, in all their decisions, be mindful of the words of the Swiss co-operator, Mr. Ch.-H. Barbier: "It often seems that education is but a poor relation instead of being the solid pillar on which the whole structure rests." We appeal to you: Come to the aid of the International Co-operative Women's Guild and the National Co-operative Women's Guilds! The quicker and the more you help us, the sooner we shall have peace for the happiness of all fathers and mothers. It is by joining forces that great things are achieved!

**Mr. Jan Kabourek**, World Federation of Trade Unions: The General Secretary of the W.F.T.U., Mr. Saillant, had himself intended to address this Congress, but he has been detained by the session of the General Assembly of the United Nations at which he is representing the Federation, and wishes to

express his deep regret that he has been unable to come to Prague. It is, therefore, to me that the honour falls to greet you on behalf of the World Federation of Trade Unions and to convey to you our best wishes for the success of your work.

In nearly every country of the world, Workers' Trade Unions and Co-operative Federations are striving, side by side, for an improvement in the well-being and in the standard of living of the peoples. In the international sphere, our two Organisations have long since made contact. Your Congress at Zurich proclaimed the utility and necessity of close collaboration, and in its turn, the General Council of the Federation, when it met in this city in June, 1947, unanimously approved a Protocol of Agreement which was to constitute the future bond between the International Co-operative Alliance and the World Federation of Trade unions. When examined by the representatives of our two Organisations in November, 1947, this document was slightly modified and, in its new form, was adopted by the Central Committee of the I.C.A. last May. As the Executive Bureau of the W.F.T.U. has recently also given its unanimous approval to the text it can henceforth be considered as in force.

Already, in the Economic and Social Council, where the International Co-operative Alliance and the World Federation of Trade Unions enjoy consultative status in Category A, the representatives of our two Organisations have sought to co-ordinate their action. Thus, for example, during the Fifth Session of the Council the representative of the Federation submitted a document supporting the point of view of the International Co-operative Alliance concerning the administration of the world's oil resources.

On our part, we think co-operation between our two Organisations should become increasingly close and firm. Faced with the threats of war which can be seen on the horizon, the millions of men and women members of our two Organisations can and must employ every means for the safeguarding and organisation of peace, by bringing about a more just and more rational economic and social order which will guarantee to all a more equitable distribution of national wealth and of the world's resources; by striving to abolish discrimination based on sex, race, nationality and religion; by limiting the power and influence of capitalist monopolies, trusts and cartels; by the development and industrialisation of colonial and economically underdeveloped countries; by making an active contribution to the education and improvement of the standard of living of all peoples; and by creating a well-informed public opinion. In this way, we are convinced, our joint action will bear fruit and will achieve our common aspirations for a better organised, more just, more humane and more fraternal society.

**Dr. Jan Belohradek**, World Federation of United Nations Associations: In granting Consultative Status to the International Co-operative Alliance, the United Nations recognised the value of the Alliance, which groups so many millions of the world's producers and consumers, also the value of the contribution which the Co-operative Movement can make towards the solution of the many problems of our disturbed and divided world. The World Federation of United Nations Associations, which brings its sincere fraternal greetings to this Congress, is only two years old, but it already groups Associations for the United Nations in forty countries and is encouraged by the

increasing number of people in all parts of the world who are prepared to devote their energies to making a personal contribution to the success of the United Nations. We believe that the success of the United Nations ultimately depends on the support of an enlightened public opinion, and this is why we appreciate so much the opportunity of collaborating with the Co-operative Movement.

It has been a pleasure to work together with your national and local Organisations on such matters as the United Nations Appeal for Children and United Nations Day, and it has been a privilege to sit side by side with your consultants on the Economic and Social Council. Nevertheless, our relations have not yet become as close as we should like, and we hope in the coming year to establish an even closer collaboration between our two Organisations on the local, national and international levels.

We were happy to accept your invitation to attend this Congress because we believe that the world to-day acutely needs that spirit of co-operation which is the basis of your Movement. May we express the hope that in working together for unity in a divided world, our two Organisations may, in the words of our late President Jan Masaryk, be two "partisans for peace."

**The President:** In the name of the Congress I thank our Fraternal Delegates for the greetings which they have conveyed to us. We are delighted to have the friendly collaboration of their Organisations, and we are happy to have them in our midst.

### Greetings by Post.

**The General Secretary:** We have had a letter of greetings from our Argentine member, the Federation of Consumers' Co-operative Societies, regretting their inability to send a delegate to the Congress, expressing their warmest good wishes for its success and for the successful following-up of all the Resolutions which may be passed. The letter continues: "In the midst of the world's present post-war confusion, in the economic as well as the political sphere, Co-operation more than ever before must raise its banner of social justice, peace and understanding. Men desire to live in peace in a reign of liberty and harmony, reinforced by the free circulation of goods and the elimination of those factors making for capitalist domination. Co-operation offers a programme, the realisation of which will assist efficiently in the pacification and well-being of all people."

**The Federation of Spanish Co-operators in Exile** send their fraternal salutations to the Congress; and we have also received an expression of sincere good wishes for the success of the Congress from the **International Federation of Agriculture.**

**Mr. T. N. Maxwell, New Zealand Produce Association, London,** has sent the following message: While unavoidable circumstances do not permit me the privilege to be present as a guest of the 17th International Co-operative Congress, it is my desire on behalf of the New Zealand Produce Association to convey to the delegates Fraternal Greetings and Good Wishes for the work of the Congress.

You may recollect that at the 16th Congress held at Zurich two years ago I had the pleasure of coupling greetings from the New Zealand Produce Association with greetings from the whole of the Co-operative Movement in New Zealand. Since that Congress I can report that Co-operation in New Zealand has steadily consolidated its position as an important and progressive factor in the economic life of the country. The co-operative primary producers, through their Central Organisations, have regained to a considerable extent the autonomy of their industries from Governmental domination. The Co-operative Retail Movement has made steady progress, and this expansion has shown the need for a strong central authority, with the result that the New Zealand Federation of Co-operatives has now been established.

Realising the value of and need for international co-operation in its widest sense, the Federation applied for membership and has been accepted by the International Co-operative Alliance, so that I hope it will be directly represented at future International Congresses.

In these days of international difficulties the Co-operative Movement stands out as a landmark showing what goodwill amongst men and women can accomplish for the betterment of mankind, both materially and spiritually. The holding of this 17th International Congress is an Act of Faith that the Principles actuating Co-operation will prevail. The New Zealand Produce Association and our New Zealand friends wholeheartedly join with the delegates to the Congress in their endeavours to further this great work of International Co-operation.

### **Appointment of Tellers.**

The General Secretary, on behalf of the Central Committee, submitted the names of the following delegates whom they recommended as Tellers to control the voting in the Congress: Mr. A. Hemstock, Great Britain, as Chief Teller; Mr. T. Pedersen, Denmark; Mr. H. Degond, France; Mr. O. Spinelli, Italy; Mr. J. Janota, Poland; Mr. N. Thédin, Sweden; Mr. A. F. Orekhanov, U.S.S.R.

These delegates were unanimously appointed Tellers.

### **Appointment of Resolutions Committee.**

The General Secretary submitted the recommendation of the Congress Bureau that the following delegates should constitute the Resolutions Committee, with the members of the Bureau: Dr. A. Vukovich, Austria; Mr. L. Leclerc, Belgium; Mr. T. Pedersen, Denmark; Mr. M. Brot, France; Prof. M. Casalini, Italy; Mr. D. Kuszewski, Poland.

This recommendation was adopted unanimously.

**REPORT**  
of the **CENTRAL COMMITTEE**  
on the **WORK** of the  
**INTERNATIONAL CO-OPERATIVE ALLIANCE**  
1946 to 1948.

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**Introduction.**

The world situation, social, economic, and political, has greatly worsened during the two years since the I.C.A. Congress last met, and the passionate hopes and longings for the restoration of peace, which have filled the hearts of the peoples everywhere, at least since the outbreak of the second world war, remain unfulfilled.

The programme of the United Nations Conferences and Meetings which have taken place is as varied and complex as it is vast; new bodies have been created, and the present scope and extent of the Organisations as a whole is, in many respects, difficult to map. The machinery of the United Nations in the social and economic fields is still in a process of creation. Serious efforts are, however, being made to establish institutions and agencies within the framework of the U.N., which, at long sight, would be able powerfully to contribute to the prevention of economic depressions, to the raising of the universal standard of living, and to the creation of high and sustained employment. The adoption of the Charter of the I.T.O. at the Havana Conference was a hopeful action in this respect. Still the visible influence of the activities of the United Nations Organisation upon the life of peoples in the protracted world-wide political and economic post-war crisis has so far, tragic though it is, been small.

It was said at Zurich, and it is generally recognised, that the aim of the United Nations Organisation cannot be achieved without the help of the world organisations of the peoples, none of which has a greater contribution to make than the World Co-operative Movement, with its long experience and conspicuous success in social and economic affairs. As the organisation of the United Nations has developed, the close and logical ties between its work and that of the World Co-operative Movement have become more and more obvious.

The brochure, *The Place of Co-operation in World Economy*, written by Mr. Odhe, showed that: "International Co-operation . . . possesses mighty powers for the good of mankind. International co-operative relations are, however, not an isolated sector of international collaboration, and they,



like the Co-operative Movement as a whole, can be effectively promoted and co-ordinated with other contemporary constructive international efforts by the facilities for permanent contact in the institutions and organisations established by the United Nations for social and economic development."

As this Report is written, rich evidence is accumulating concerning the part which Co-operative Organisations in many countries are playing in the fight against inflation and higher prices, and the Co-operative Organisation, with its flexible machinery, is seen clearly as the strong and sure defence of the people against unjust prices and profiteering.

The expansion of the place of Co-operation in economic life, nationally and internationally, must be one of the foremost tasks of the I.C.A. to-day, as well as the promotion of the application of the Principles of Co-operation in all spheres of life as assuring a basis for economic and human progress.

Participation in the work of the United Nations Organisations during the past two years has been a conspicuous part of the activity of the I.C.A., particularly since the spring of 1947 when the Swedish Co-operative Union, Kooperativa Förbundet, so generously offered to release Mr. Thorsten Odhe from his important position as editor of *Kooperatören* to act for one year as Permanent Representative of the I.C.A. to the United Nations at the expense of K.F. On a smaller scale the Swiss Union of Consumers' Co-operative Societies has given similar collaboration by assuring representation at Conferences convened at Geneva.

As Director of the I.C.A. Mr. Odhe will now be particularly responsible for this sphere of its work, but, if full advantage is to be taken of the possibilities of collaboration which exist, then, until such time as its Secretariat includes specialists in the different branches of economy, the I.C.A. must look to its constituent Organisations to follow the example of K.F. by placing the services of their own experts at the disposal of the I.C.A. from time to time to act as its representative at United Nations meetings.

In all of the aspects of its work there are abundant possibilities and need of development, and the new clauses inserted into the Rules concerning the methods by which the I.C.A. shall attain its objects suggest some important channels of activities not hitherto entered. Provided the resources of the I.C.A. are maintained at least at their present level, and the services of suitable collaborators can be obtained, the next two or three years will see the bringing into effect of some features of the programme mapped out during the war which was approved in principle by the Congress at Zürich.

With this brief introduction we proceed to a review of I.C.A. activities during the past two years.

## **The Organs of the I.C.A.**

When Congress last met the question of a successor to the late Henry J. May had not been decided by the Central Committee, whose duty it is to appoint the General Secretary of the I.C.A. The post had already been advertised, and at their statutory meeting immediately after the Congress the newly elected Central Committee instructed the Executive to take the necessary steps with a view to bringing a definite recommendation to them at their following meeting.

Some interviews took place at Brussels in January, 1947, but the Executive were still unable to recommend an appointment. They decided, instead, to propose to the Central Committee that the Rules of the I.C.A. should be amended to provide for the offices of a General Secretary and of a Director, the Director to be responsible for the external affairs of the I.C.A., and the General Secretary to be responsible for the administration. To this proposal the Central Committee agreed at Avignon, in the conviction that their action would be endorsed by Congress, and at the request of the Executive, they gave them authority to fill the two posts, to fix the remuneration of the two officers, and to decide their functions.

The first step taken by the Executive, while still at Avignon, was to offer the post of General Secretary to Miss G. F. Polley who, since 1932, had been the Administrative Secretary of the I.C.A., and since the death of Henry J. May, in November, 1939, had undertaken also the duties of General Secretary.

At the same time the Executive decided that the new post of Director should be advertised. The 89 applications received were examined by the Executive Sub-Committee, with a view to the selection of a short list of candidates to be interviewed by the full Executive, but this was found to be impossible, since the majority of the applicants possessed little or no knowledge of the Co-operative Movement. In these circumstances, the Sub-Committee proposed that the European affiliated Organisations and the members of the Executive should be invited to submit to the Executive the names of any persons connected with the Co-operative Movement who, in their opinion, possessed the qualifications necessary for the post of Director, and would be willing to accept the post if it were offered.

It was as a result of this procedure that, at their meeting at Amsterdam in January, 1948, the Executive unanimously decided to appoint as Director of the I.C.A. Mr. Thorsten Odhe, of Sweden.

It now remains for Congress to approve the consequential amendments to Article 17, which defines the Authorities of the I.C.A., and Article 32, which lays down the duties of the Director and the General Secretary.

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The Re-Organisation and Expansion of the Secretariat has inevitably been retarded by the long delay in the appointment of the Principal Officers of the I.C.A. Actually the strength of the Secretariat, which was greatly reduced during the war, particularly as regards some of the more responsible and specialised posts, has changed little during the past two years, and the plans for its expansion are still awaiting realisation.

## Membership of the I.C.A.

The composition of the I.C.A. membership has undergone some important changes since the last Congress. In the first place, it is to be noted that the following Organisations have been admitted:—

Italy.—Lega Nazionale delle Cooperative, Rome, which thus returned to membership of the I.C.A. following its reconstitution 24 years after the destruction and liquidation of its organisation by the fascists.

**Confederazione Cooperativa Italiana, Rome**, another of the former National Co-operative Organisations of Italy, which was reconstituted in September, 1945, following the collapse of the fascist régime. Unlike the Lega Nazionale delle Cooperative, the Italian Confederation had not previously been a member of the I.C.A.

**Poland.**—Bank Gospodarstwa Spoldzielczego, which was created in July, 1946, by the fusion of Bank Spoldzielczy "Spolem" and the Central Agricultural Societies' Bank, was accepted as a member of the I.C.A. in place of Bank "Spolem."

**Greece.**—Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), Athens.

**France.**—Fédération Nationale des Coopératives agricoles, Paris.

**Belgium.**—Fédération Nationale des Coopératives Chrétiennes, Brussels. "L'Economie Populaire," Ciney.

**Colombia.**—La Cooperativa Familiar, Medellin.

**Roumania.**—Institutul National al Cooperatiei, Bucharest.

**Germany.**—Grosseinkaufs-Gesellschaft Deutscher Konsumgenossenschaften G.E.G., Hamburg, which is the only Central Co-operative Organisation in Germany which survived the nazi régime with its legal identity unimpaired, although the legal basis of the Society had been altered. Immediately the latter was restored in April, 1948, the G.E.G applied for membership.

**New Zealand.**—New Zealand Federation of Co-operatives, Wellington.

#### Changes in Membership.

**Netherlands.**—Following its constitution as a Central Organisation for the Consumers' Co-operative Movement of the Netherlands **Centrale der Nederlandse Verbruikscoöperaties, Rotterdam**, was accepted as a member of the I.C.A. in place of the three former Central Organisations separately affiliated, namely:—

Centrale Bond van Nederlandsche Verbruikscoöperaties, The Hague.

Coöperatieve Groothandelsvereniging De Handelskamer "Haka," Rotterdam.

Federatie der Diocesane Bonden van Katholieke Coöp. Vereenigingen, The Hague.

**Bulgaria.**—The Central Co-operative Union of Bulgaria, Sofia, formed by the amalgamation of nine former National Co-operative Organisations—two of which, Centrale Cooperative "Napred" and Union Générale des Coopératives Agricoles bulgares, formerly enjoyed separate membership of the I.C.A.—was accepted into membership.

**Argentina.**—When Congress last met the Movement in Argentina was represented by the National Federations of Consumers' Co-operative Societies and of Electricity Societies, together with five individual Societies. On the proposal of the Executive, which was endorsed by the National Federation of Consumers' Societies, the other members have withdrawn so that the representation of the Movement is now centralised through the **Federación Argentina de Cooperativas de Consumo**, to which the six Organisations are affiliated.

The admission of new members has not only added five new countries to the territorial sphere of the I.C.A., but it has extended the representation of Agricultural and other types of Co-operative Societies, thus continuing the evolution of its constitution by which the I.C.A. ceases to be predominantly a Federation of Consumers' Co-operative Societies, and is becoming more and more representative of every type of Co-operative Organisation.

The following statement, based upon statistical returns for 1946 except in the case of new affiliations since the Zurich Congress, shows

### The Structure of the I.C.A.\*

Type of Society.	Number.	Individual Members.
Consumers' .....	95,194	55,948,262
Workers' Productive and Artisanal.....	10,171	839,130
Agricultural .....	51,241	9,571,718
Building .....	1,660	192,139
Miscellaneous, excluding Insurance†.....	2,486	435,266
Credit .....	134,596	12,094,532
	295,348	79,081,047
Non-Specified—		
China .....	160,222	19,624,599
Total.....	455,570	98,705,646

### The Committees of the I.C.A.

The Central Committee has held two meetings since the last Congress, at Avignon in May, 1947, and at Rome, in May, 1948. It will meet again at Prague on the eve of the Congress, as provided in the Rules.

The Executive has met at Brussels in January, 1947, at Avignon in April, 1947, at Prague in September, 1947, at Amsterdam in January, 1948, at Rome in May, 1948, and will meet again at Prague prior to the meeting of the Central Committee.

A small Sub-Committee of the Executive, appointed to deal with certain specific questions, including the applications for the posts of General Secretary and Director, Office Accommodation and Staff, has held several meetings in London. Its members are the President, Mr. J. J. A. Charbo, Mr. J. M. Davidson, Mr. T. H. Gill, and Mr. W. Serwy.

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\* A more detailed statement of the Structure of the I.C.A. is presented in Appendix VI.

† Insurance Societies are excluded because for the most part the insured are members of other types of Societies. As a class they are represented in the I.C.A. by 21 Societies with over 21 million insured persons.

## Auxiliary Committees.

Meetings of the Executive of the **International Co-operative Trading Agency** have been convened on each occasion when the Executive of the I.C.A. has met, and a meeting of all its members will be included in the programme of Auxiliary Conferences which precede the Prague Congress.

A report on the activity of the Agency is included as Appendix I.

The **International Co-operative Petroleum Association**, whose creation was decided at Zurich in October, 1946, was formally constituted at a meeting in London in September of the following year, when its Rules were adopted and a Manager appointed. The headquarters of the Association are in the United States—originally at Kansas City but more recently they have moved to New York. A report to date on the activity of the Association will be submitted to Congress. (Appendix II.)

The **International Co-operative Assurance Committee** did not meet following the Zurich Congress until May, 1948, at Rome, when the plans were made for the International Co-operative Assurance Conference which will be convened at Prague. A report from the Secretary of the Committee will come before Congress as Appendix III.

Two new Auxiliaries have been constituted during the past two years. An **Auxiliary Committee of Representatives of Workers' Productive and Artisan's Societies**, which was planned just before the outbreak of the second world war, was finally constituted towards the end of 1947, when the minimum of five National Organisations had announced their collaboration—Great Britain, Co-operative Productive Federation; France, Confédération Générale des Sociétés Coopératives Ouvrières de Production; Palestine, "Hevrat Ovdim"; Czechoslovakia, Ustredni Rada Druzstev; Italy, Lega Nazionale delle Cooperative. The Committee will meet for the first time at Prague.

An **International Co-operative Press Committee** was constituted in accordance with the recommendation of the International Press Conference at Zurich. It has not yet a permanent constitution like the other Auxiliary Committees, but is functioning under the direction of the Executive. Meetings have taken place at Avignon in May, 1947, and Amsterdam in January, 1948.

Its outstanding task is the study of the creation of an **International Co-operative Press Agency**, which was recommended in principle by the International Co-operative Press Conference at Zurich.

The Committee has served the Executive as regards the planning of the First Award of the I.C.A. Jubilee Triennial Prize; it will organise and be responsible for the press and publicity services of the 17th Congress.

The **International Banking Sub-Committee**, set up following the Banking Conference at Zurich, with the task of drawing up a constitution and programme of work for a permanent Banking Committee, has submitted its recommendations to the Central Committee, by whom they have been accepted.

As stated in the brief report on the work of the Sub-Committee contained in Appendix IV, the permanent International Co-operative Banking Committee will now be reconstituted.

## The Finances of the I.C.A.

On this question the Central Committee is in the happy position of reporting that the amended scales of subscriptions adopted at Zurich, which were designed to raise the income of the I.C.A. to a minimum of £20,000 a year, have proved their worth.

The new scales came into operation in January, 1947, and total income for that year reached £21,291. For the current year the income is expected to exceed the 1947 figure.

This sum, however, is still to be regarded merely as a minimum income, with the full recognition that, as the organisation and activities of the I.C.A. are developed according to the plan approved in principle by the 16th Congress, greatly increased resources will be required.

The Central Committee do not propose to suggest any increases in the scales at this Congress; rather they will propose that in the immediate future the rates of subscription shall be changed as required in order fully to equip the I.C.A. to carry out its enlarged programme of work, which the Congress will be asked to approve on the statement of the Future Policy and Programme of the I.C.A.

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Both in 1946 and 1947 receipts have been appreciably augmented by the payment of outstanding subscriptions. With the exception of Organisations whose payments for the war years were cancelled, at their request, only a few small remittances remain unpaid, which is a proof of loyalty on the part of the affiliated Organisations. As a result of these payments, coupled with the increased scales which applied in 1947, the year closed with a balance in bank of £27,173.

## Publications.

This is a section of the work of the I.C.A. which is due to be developed greatly, but no specific plans have yet been made.

Meanwhile, the *Review of International Co-operation* continues to be the official journal of the I.C.A., and since January, 1948, it has appeared again in a French edition in addition to the English. While this gives great satisfaction to the Movement in the French-speaking countries, the support which both the editions receive is extraordinarily meagre compared with the membership of the I.C.A.—even taking into account only the size of the Movement in the English particularly, but also in the French-speaking countries. The English edition has a present circulation of 1,680 copies, and the French edition of 900 copies.

If publication of a third edition in another of the official languages of the I.C.A. should be decided, it would be necessary for a firm undertaking on the part of every affiliated Organisation to give a minimum of support to the *Review* in order to make all editions self-supporting. A clause to this effect is in fact included in the amendments to the Rules to be proposed to Congress.

In spite of its small circulation the value of the *Review* cannot be contested. It can, however, be vastly augmented, *inter alia*, by greater and regular collaboration on the part of the affiliated Organisations in supplying information, reports, &c., as requested by the Secretariat. Their duties in this respect have also been more specifically laid down in the amendments to the Rules.

The *I.C.A. News Services* in their co-operative and economic editions appear regularly, and as regular national press activities expand the material upon which they depend becomes more plentiful. It is still, however, not found possible to publish the *Digest of the Co-operative Press* each month.

Special publications during the past two years have been:—

*The Report of the Zurich Congress*, published in English and French;

*The Place of Co-operation in World Economy*—a brochure written by Mr. Thorsten Odhe primarily to augment the knowledge and emphasise the significance of the Co-operative Movement in United Nations circles, published in English only;

*The Man of Peace through Co-operation and of Co-operation through Peace*—a brochure by the late Victor Serwy, published in French and English. This work was written by Mr. Serwy during the war as a tribute to the persistent and fervent efforts of the late Henry J. May for the promotion of Peace.

### Economic Research

as a particular section of the Secretariat has not yet been re-established, but is under consideration as part of the reorganisation plans. Meanwhile, a number of research studies on specific questions of interest have continued to be published in the *Review of International Co-operation* relating to The Policies of Food and Nutrition—Primary Commodities and Measures for their Control; Communal Feeding.

### Statistics.

**Statistics of Affiliated Organisations** for the Period 1938-1946 have been collected. In part they have been published in surveys in the *Review* as it is not possible at present to contemplate the printing of Volume VI of the series of Statistical Volumes published by the I.C.A. since 1924—Volume V, published in 1937, covered the period 1933—1936. However, as soon as the latest tables are sufficiently comprehensive a decision will be taken as to the best means of making the data available to all the National Movements, also to Research Institutions, Educational Centres, Libraries, &c.

## Henry J. May Foundation.

### Centre for the Study of International Co-operation.

The resolution of the 16th Congress on this subject, in common with all other resolutions, was communicated to the affiliated Organisations immediately following the Congress, and they were invited to suggest measures for realising the desire of the Congress, particularly as regards the place of the Centre, and its endowment and maintenance.

Only eight Organisations responded, and their replies showed beyond all doubt that London was the first choice as the seat of the Centre. As regards its endowment and maintenance, beyond suggesting that the necessary funds should be raised by contributions from the Affiliated National Organisations, the Organisations replying avoided expressing themselves definitely.

The Central Committee at their meeting at Avignon in May, 1947, after examining these replies, requested the Executive to study the question in all its details, and to formulate recommendations as to how the Centre should be constituted and financed.

This task the Executive have carried out, and their recommendations, as follows, have been accepted by the Central Committee:—

1. That from now onwards all the educational activities of the I.C.A.—Schools, Conferences, &c.—shall be planned and carried out under the name of the Foundation.
2. That the Foundation shall be financed out of the general funds of the I.C.A., and that no specific appeal be made to the Organisations in membership as had been suggested.
3. That as a Study Centre the Foundation cannot function until suitable accommodation is available, that is to say, until the new Headquarters of the Alliance are decided.
4. That the scope of the work of the Foundation shall be in abeyance until an Educational Adviser has been appointed who shall be asked, in collaboration with the other principal officials of the Alliance, to draw up a plan for submission to the Executive.

The 18th International Co-operative School and Education Conference at Prague represent the first of the educational activities of the I.C.A. to be planned and carried out under the name of the Henry J. May Foundation.

It will be one of the first tasks of the Secretariat after the Congress to formulate plans for the work of the Centre, also for its suitable accommodation.

## International Co-operative Day.

The question of the date of International Co-operative Day has been the subject of an enquiry to ascertain whether the first Saturday in July is still the most convenient date for the majority of the National Movements—alternatively, what date or period of the year they would regard as most convenient, and for what reasons. Organisations were further asked—to what extent International Co-operative Day had achieved its purpose in their respective countries; whether they had any suggestions for making it a real demonstration to the whole world of the solidarity of Co-operators and the efficacy of their Organisations as a means of economic emancipation and a guarantee of World Peace; whether they considered the lead hitherto given by the I.C.A. had been adequate, alternatively, in what way could its contribution be made more effective; finally, whether they would in the future collaborate wholeheartedly to assure to the Festival its full significance.

The replies received to the Questionnaire from less than twenty Organisations, which were extremely varied and to a large degree inconclusive, were



submitted to the Central Committee at Avignon in May, 1947, when they also had before them a recommendation from the Executive that the present date of International Co-operative Day be maintained. A counter-proposal was made by several members of the committee, however, that the date should be changed to September, as July was harvest time in agricultural countries and, therefore, it was not possible for the Festival to be observed on its present date. As both proposals received an equal number of votes, neither was carried, according to Standing Orders, and in these circumstances the date remains unchanged.

From the replies to the other questions the outstanding conclusion to be drawn was that after 26 years International Co-operative Day has not yet realised its full purpose and significance. It is also to be regretted that there are still some National Movements which pay little attention to the International Co-operative Festival; while in a number of instances the celebrations are not wholly co-operative in character.

The serious attention of all National Organisations is directed to this question, and their collaboration is strongly urged to assure that International Co-operative Day shall attain the high purpose for which it was conceived.

For the 25th Celebration of the Day—July, 1947—the following Manifesto was circulated by the I.C.A.

“ On the 25th International Co-operative Day, Saturday, 5th July, 1947, The International Co-operative Alliance calls upon its member organisations in 28 countries, with their 93½ million individual members, to demonstrate to the whole world the solidarity of Co-operators, also the potentiality of the Co-operative Movement in realising the aims of the United Nations Organisation to which mankind looks as an effective instrument for the building of a new political and economic order based on international understanding and collaboration.

In creating the conditions for the peaceful progress of mankind, the United Nations Organisation, as an alliance of States, needs the full support of the peoples of the world. The International Co-operative Alliance, as the largest Voluntary People's Organisation, reiterates its promise and its preparedness to give that support without reserve.

The International Co-operative Alliance since its inception has been convinced that lasting Peace will only be assured if international relations are able to develop unfettered and on the basis of equality; and for last quarter of a century, in the pursuit of its aim to substitute for the system of international trade rivalry the system of international co-operation, has persistently opposed all restrictive practices and monopolistic tendencies. To that end, an International Co-operative Trading Agency and an International Co-operative Petroleum Association have been created, to the further development of which the Alliance urges all National Co-operative Organisations to give their full support.

In the present state of political tension, economic disequilibrium, and social unrest, the Co-operative Movement must give the world an example of unity.

The International Co-operative Alliance, therefore, appeals—

**To all men and women of goodwill who are not yet associated with the Movement—to join its ranks;**

**To Co-operators—to rally to their Societies;**

**To Co-operative Societies—to support the work of their National Unions;**

**To the Unions of all Countries—to give their full allegiance to the Alliance.**

**Co-operators of all Lands! Unite for Peace and Human Progress."**

This text was given very wide publicity, and so far as reports were received they indicated that the Day received more observance than for many years past, while the sending of greetings to the I.C.A., which was a feature of Celebrations in pre-war years, was revived by Organisations in 12 countries. The Executive had specially urged upon all Organisations the value of the radio in their programmes for the Day, and broadcasts were made in at least five countries.

**Peace was the theme of the I.C.A. Manifesto for the 26th Celebration of the Day on 3rd July, 1948:—**

"On the occasion of the 26th International Co-operative Day the International Co-operative Alliance, which stands for economic and social justice, liberty, and the peaceful association of the whole human family, declares that one of the main reasons for the present state of world affairs is the lack of a co-operative spirit in the political and economic relations between the nations.

But it affirms that, in the Co-operative Organisation, national and international, with its tested and tried principles, the people of the world have in their own hands the instrument to overcome the prevailing distress and disunity.

The International Co-operative Alliance further declares that the progress of Co-operation is one of the most powerful factors for the preservation of Universal Peace, and that the causes of friction in the world will disappear as the social and economic life of every nation becomes organised according to Co-operative Principles.

**The International Co-operative Alliance, therefore—**

**Appeals to the people of every country to join the Co-operative Movement and to apply its basic principles in all walks of life;**

**Calls upon the Co-operators of the World to work with all the means in their power to secure, uphold, and defend Freedom, Justice, and Peace;**

**Urges the Co-operative Organisations of all lands to give their wholehearted support to all earnest endeavours which may be made nationally or internationally with the sincere object of re-establishing goodwill between nations, of promoting economic security, and of raising the standard of living of the peoples of the world.**

**Reaffirms the belief that by the application of the Principles of Co-operation to all forms of production and distribution the present shortages of goods can be overcome by the rationalisation and expansion of production, and the establishment of a just, free, and efficient system of distribution.**

**Co-operators of the World! Unite and Work for Freedom from Want, Freedom from Fear, in a world where Peace is secured by Co-operation."**

Excellent publicity was given to the Manifesto this year, both as regards the number of co-operative journals which reproduced its text and the special prominence given by many of their editors. As reports of celebrations are being received, some of them suggest a greater fervour on the part of organisers and participants alike, while, on the whole they leave little doubt that the spirit of the Manifesto was appreciated.

## I.C.A. Relief and Rehabilitation Fund.

It is deeply to be regretted that circumstances and factors over which the I.C.A. has no control have combined to prevent the benefits of this Fund being fully experienced so far by the Organisations on whose behalf it was raised. The immediate post-war supply situation made it impossible for the goods most urgently needed by the various Movements—transport, industrial and agricultural machinery, &c.—to be supplied; there was considerable delay on the part of some Organisations in stating their needs and requirements; while more recently, owing to the situation of Great Britain as regards foreign exchange, a decision of the Treasury permits transfers from such funds during the period of 12 months from September, 1947, only to the extent of 75 per cent of the value of transfers of goods or sterling during the previous 12 months. The effect of this decision is that the I.C.A. quota for the present period is fixed at £17,480, with the further restriction that it can only be used on behalf of Organisations in soft currency countries.

The position to date is that from the Fund, which totalled £250,000, sums allocated to the National Organisations concerned and transferred to date are as follows:—

	Sum Allocated.			Amount Transferred.		
	£	s.	d.	£	s.	d.
Belgian Movement .....	35,000	0	0			
French Movement .....	80,000	0	0	32,066	0	0
Netherlands Movement .....	35,000	0	0	14,097	5	7
Polish Movement .....	35,000	0	0	17,045	0	0
Yugoslavian Movement .....	35,000	0	0	25,500	0	0

Belgium being now a hard currency country, the Belgian Organisations are unfortunately deprived from benefiting from the Fund. The balance of the quota for the current period, namely £7,850, will, therefore, be distributed between the Organisations in other countries.

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

The International Co-operative Alliance was among the very first of the voluntary international organisations to offer its collaboration with the United Nations Organisations. This was by the Declaration presented to the Secretariat of the San Francisco Conference, expressing the desire of the I.C.A., as the representative of the World Co-operative Movement, to be brought into effective relationship with the United Nations Organisations through participation in the deliberations of the Economic and Social Council and in any other way which the constitution of the organisation might permit. After a special provision for the co-operation of, and consultation with,

appropriate international (non-governmental) organisations had been incorporated into the United Nations Charter and the Economic and Social Council established, the I.C.A. was granted the right to participate in its work in the capacity of a non-Governmental Organisation, Category A (organisations having an interest in all or most of the activities of the Council). The number of Organisations admitted into this Category is strictly limited, and at present is nine.

The status accorded to the non-Governmental Organisations, Category A, implies the right to participate in the sessions of the Council through representatives in the capacity of observers, to submit suggestions and comments in writing on the various items of the Agenda before or during the course of sessions, to submit proposals for inclusion in the provisional Agenda and, when accepted, to present them orally before the Council, and to participate in all meetings of the various Commissions of the Council, where the right to comment orally on the questions under discussion is usually accorded. They are also regularly invited to the Special Conferences convened by the Council where their status—with appropriate flexibility—is fixed mainly in accordance with the procedure applied in the Council. This applies, in the main, also to their participation in the meetings and conferences of the Inter-Governmental Organisations (Specialised Agencies) within the framework of the United Nations. Reasonable opportunities are thus being afforded to them to make their voice heard in the deliberations of the United Nations Organisations and to contribute to its work in a positive and constructive spirit. There seem to be appreciable prospects of their rights becoming successively widened as the positive value of their consultation and initiatives is proved and acknowledged. During its participation in different sessions and conferences of the Economic and Social Council or convened by the Council requests were made by the I.C.A., or by the non-Governmental Organisations jointly, for appropriate modifications or interpretations of the procedures to enable their representatives to express themselves more fully on items proposed or comments made by them. These requests found reasonable approval, and corrective steps were taken in most cases.

The important question of an adequate representation of the I.C.A. in order to avail itself of the opportunities for an effective collaboration with the United Nations Organisation thus offered encountered considerable difficulties. The centre of the activities of the U.N.O. having been established at Lake Success, where most important meetings took place during the first year, it was, for practical reasons, impossible for the General Secretary or for European members of the Central Committee to attend. The current contacts with the centre at Lake Success were, therefore, provisionally maintained by Mr. Murray D. Lincoln, President of the Co-operative League, with the assistance of the staff of the New York office of the Co-operative League. At the meeting of the Executive in Brussels in January, 1947, however, an offer was received from Kooperativa Förbundet, Stockholm, to place the services of Mr. Thorsten Odhe, with his consent, at the disposal of the I.C.A. for one year to act as its permanent representative to the United Nations. Mr. Odhe spent three months in Geneva before leaving for the Second Session of the Economic and Social Council at Lake Success, during which time he attended the Second Session of the Preparatory Committee for the U.N. Conference on Trade and Employment. Later, when the full Conference

on Trade and Employment of the United Nations was convened at Havana, Cuba, Mr. Odhe was appointed by the Executive to represent the I.C.A. He stayed in Havana until the beginning of February, 1948, when he left for London to take up his new position as the Director of the Alliance, but on his way he attended part of the Third Session of the Economic and Social Council at Lake Success.

For the representation at the European meetings and conferences of the different U.N. Organisations the I.C.A. in the meantime had to rely on the courtesy of various National Organisations, particularly Verband schweizerischer Konsumvereine, and on members of the Central Committee, who placed themselves at its disposal. Since the Zurich Congress the Alliance has thus been able to send representatives to and actively to participate in meetings and conferences of the International Labour Organisation, the Food and Agriculture Organisation, the United Nations Scientific, Educational, and Cultural Organisation (UNESCO), the Economic Commission for Europe, the Coal Committee, and the Housing Commission of the E.C.E., the International Maritime Conference, and the U.N. Conference on Freedom of Information, all of which have been held in Europe.

The I.C.A. was one of the first Category A Organisations to give its moral support to the United Nations Appeal for Children, UNAC, and strongly urged all affiliated Organisations to collaborate in the National Campaigns in their respective countries, which many of them did most efficiently and generously. Further, during his stay in New York, Mr. Odhe represented the I.C.A. at meetings of the Committees of Appeal.

The activities of the Alliance with regard to its collaboration with the U.N.O. centred on two extremely important questions, viz., the elaboration of the Charter of the International Trade Organisation, and the presentation before the Economic and Social Council of the Resolution on International Control of the World's Oil Resources, which was adopted by the Congress at Zurich.

Another subject of importance to the World Co-operative Movement brought before U.N.O. by virtue of the participation of the Alliance as a consultative organisation in its work, was the reconstruction of the German Co-operative Movement, on which subject a Resolution adopted by the Central Committee at its meeting in Avignon was handed in to the Economic Commission for Europe before its last session in May, 1947.

The participation of the I.C.A. in the Geneva Conference on Freedom of Information in March-April, 1948, gave it an opportunity to stress the anxiety of the Co-operative Movement to contribute with all the energies and resources at its disposal to a reconciliation between the peoples and the maintenance of peace, in accordance with the Resolution to this effect adopted by the Zurich Congress. The Alliance was particularly anxious to draw the attention of this representative Conference to the importance of the Co-operative Press for the attainment of this goal, and to the project of creating an International Co-operative Press Agency in order to provide a news exchange of highest objectivity and integrity with a view effectively to contribute to counteracting the dissemination of false and distorted news with the effect of disturbing friendly relations between the nations.

**The Participation of the Alliance in the Work of the U.N. Conference on Trade and Employment was prepared at the Zurich Congress, which adopted a Resolution in support of the initiative of the Economic and Social Council.**

This resolution was forwarded to the First Session of the Preparatory Committee—which took place in London in October-November, 1946—at which Lord Rusholme was the representative of the I.C.A. At the Second Session of the Preparatory Committee, which opened at Geneva on 10th April, 1947, the delegates of the Alliance, Mr. Thorsten Odhe and Dr. Max Weber, Switzerland, submitted elaborate comments on various Chapters of the Draft Charter, in accordance with the general policy of the I.C.A., as defined in the series of Resolutions since the conclusion of the war. These comments centred on the practical aims which would contribute to improving, in particular, the provisions for international control, within the framework of the I.T.O., of monopolistic cartels and combines so as to offer the most satisfactory guarantee for the consumers' interests; to elaborating the section on Inter-Governmental Commodity Agreements so as to provide reasonable safeguards against intervening trading interests of a monopolistic character, to the detriment of the co-operatively organised small producers as well as of Consumers' Organisations; and to ensuring active participation by the I.C.A. in the way of consultation and co-operation in the future work of the I.T.O. to the largest possible extent. On some of these points the solutions proposed by the final Draft Charter turned out to be in harmony with the desires expressed by the comments, whereas other points were apparently not as fully considered. An exhaustive survey of the contents of the I.C.A. comments on the various Chapters of the Draft Charter and their specific bearing on the Charter provisions was published in the November, 1947, issue of the *Review of International Co-operation* prior to the opening of the full Conference.

At this conference where the I.C.A., as already mentioned, was represented by Mr. Odhe, considerably wider opportunities were offered to it to participate actively in the proceedings, as the Non-Governmental Organisations represented were accorded the right of orally developing their suggestions and comments in the full Committees, also of participating in the work of the Sub-Committees. Mr. Odhe availed himself of these advantages to the extent necessary amply to present and make known the desires of the I.C.A. with regard to the drafting of the Charter, with the result that clarifications were obtained regarding points of importance left incompletely interpreted by the Geneva Draft. The efforts of the I.C.A. at Havana were concentrated on the same parts of the Charter as at Geneva, viz., international control of restrictive business practices, inter-governmental commodity agreements, and the interpretation of the co-operation to be established between the I.T.O. and the Non-Governmental Organisations, Category A. On the latter point reassuring declarations were given in three of the full Committees, while Sub-Committee IV (Restrictive Business Practices) stated in its report to the full Committee:

“The Sub-Committee took note of the helpful observations of the representative of the International Co-operative Alliance. The Sub-Committee was of the opinion that the Organisation (I.T.O.) would wish to take every opportunity of consulting with Non-Governmental Organisations of Category A, such as the I.C.A., which have had very wide experience of the problems covered by Chapter V. They felt, however, that it would be inappropriate at this stage to make any more detailed provision in this connection than already exists in the Charter.”

By provision in a Resolution adopted by the Conference in its final plenary meetings it was left to the Interim Commission of the I.T.O. to draw up, in consultation with the Non-Governmental Organisations, recommendations to the first Conference of the I.T.O. as to the scope and details of the co-operation to be effected between the I.T.O. and these Organisations. An invitation to the various Category A Organisations to submit their general points of view on the subject, as well as their concrete proposals for the implementation of an effective collaboration, may consequently be expected in the near future.

As to the outcome of the Havana Conference and the details of the representation of the I.C.A., exhaustive reports were published in the *Review of International Co-operation* in January and March, 1948, and a concluding survey of the adoption of the Charter and of the Resolutions of the Conference—"The Final Act of the Havana Conference"—in the June issue.

The question of **International Control of the World's Oil Resources** was brought before the Zurich Congress which, on the initiative of the Co-operative League of the United States of America, adopted the following Resolution:—

"Whereas equal access to natural resources, as set out in the Atlantic Charter, must be considered an irrevocable condition of economic reconstruction, of rebuilding free interchange of goods among nations, and of the maintenance of peace; and

"Whereas experience has proved that international rivalry over raw material resources, either on the part of predatory private monopolists or on the part of imperialistic governments, or both, lead to an unbalance in economic affairs, inevitable conflicts, and the jeopardising of peace, such as we have witnessed recently, for example, in the struggle for control of oil resources in the Middle East; and

"Whereas developments of such natural resources by consumer-owned Co-operatives will operate to checkmate monopolistic concentrations and tend to lead away from rather than towards war, conflicts over oil resources being an ever-present threat to world peace, now, therefore, be it

"Resolved that—with a view to implementing the Atlantic Charter and safeguarding the supply of this vital raw material for all national households—the 16th Congress of the International Co-operative Alliance emphasizes in the strongest terms the immediate need of placing control and administration of the oil resources of the world under an authority of the United Nations, and, as a first step in that direction, the oil resources of the Middle East, by and with the consent of the States involved, these resources to be administered in such a way that Co-operative Organisations can be assured of receiving an equitable share."

By virtue of the rights accorded to the Non-Governmental Organisations, Category A, this Resolution was submitted to the Economic and Social Council without delay with the specific request that the suggestion raised by it should be included in the provisional Agenda for the next session of the Council. This request was supported by a Memorandum by Mr. Odhe, by whom it was presented. At the conclusion of the oral presentation Mr. Odhe emphasized that the I.C.A. fully appreciated that the Council could not be expected to make an immediate decision on such a complicated and far-reaching question on the basis of the arguments and the material supplied, and he, therefore, advised the Council to submit the question to a closer study

with a view to elaborating appropriate proposals for the degree of control found necessary. In its Memorandum the I.C.A. had suggested that the control might best be technically implemented by means of an international convention to be drafted by the Council, which would then invite the countries concerned to give their ratification and bring it into effect. In the debate the majority of speakers expressed their sympathies with the general view-points and suggestions of the Alliance, but the final result of the voting was the adoption of a motion presented by the British delegation "to do no more than take note of the proposals at the present session." Most speakers, however, stressed that effective action by the United Nations is urgently needed against the international monopolistic combinations, particularly when they base their power on a domination of the world's raw material resources, and special reference was made to the work going on at the Preparatory I.T.O. Conference of drafting provisions for international control of Restrictive Business Practices.

The Resolution of the Alliance was actively supported by the World Federation of Trade Unions, which in a separate paper stressed the extreme importance of world oil control to the maintenance of the peace of the world and expressed its unreserved adherence to the proposals raised by the I.C.A.

**The full scope of the collaboration between the I.C.A. and the United Nations Organisation** cannot yet be more than scantily mapped out, and equally scantily the obligations of the I.C.A. arising therefrom.

The vast structure of auxiliary organisations within the U.N. framework is, moreover, still in a process of creation. It is evident that this collaboration will grant ample opportunities to the I.C.A. for realising many of its principal objectives, but it is equally evident that an effective collaboration extending to all those fields of the U.N. activities where the World Co-operative Movement—diversified and widely ramified as it appears in the modern world—has important interests to safeguard, may place very heavy obligations upon the I.C.A. Concretely interpreted, "effective collaboration," as soon as the vast machinery of the U.N.O. in the economic and social field functions fully, will probably mean not only representation by the I.C.A. delegates at the regular meetings and sessions of the various U.N. Organisations—the Council, its Commissions, the Specialised Agencies—but also personal contacts with the Secretariats of the different Organisations of a more or less permanent nature, as well as specific tasks to be undertaken in the nature of expert surveys, research, and investigations. In some cases the I.C.A. may have to apply to the National Organisations for assistance in relation to a number of activities of the I.T.O. To take only a few examples, the collaboration of the I.C.A. in the field of control of restrictive business practices is unlikely to be really effective without including representation of the Co-operative Movement, through qualified observers—lawyers and technicians—on the investigation of complaints and public hearings of the parties, as well as compilation and preparation of material from the experience of the Co-operative Movement of one country or another, in contact with the Secretariat and experts of the Organisation. In the field of Inter-Governmental Commodity Arrangements the representatives of the I.C.A. in their comments on the Draft Charter concretely defined the collaboration offered as implying active participation on the part of the Co-operative Movement in the study groups engaged in investigating various commodities, as well as in the Commodity Conferences convened by the Organisation, and in the administration of the



various Commodity Councils by representation through observers with a wide knowledge of the markets involved. The experiences of the National Co-operative Organisations have taught us sufficiently well that when effectively defending the consumers' interests against modern monopolistic combinations with almost inexhaustible resources at their disposal in all fields of action, it is not enough for propaganda or publicity campaigns to be carried on in general terms but that the arraignment, with technical and judicial weapons of equal battling power, plays the decisive part. The Co-operative Movement in most countries, however, is sufficiently well developed to take up the fight along these lines by furnishing the intellectual man-power required, moreover, perhaps, on a higher level of personal disinterestedness and general probity. On the other hand, it should be clearly envisaged on the part of the Movement even at the present stage of the relationships between the Non-Governmental Organisations and the United Nations Organisation that the collaboration required to attain the objectives aimed at will, with all certainty, demand considerably larger efforts and greater sacrifices than may be imagined at a superficial glance at the wording of the provisions concerned.

It is to be hoped that these eventual sacrifices will by no means discourage the Co-operative Movement from continuing its work to extend and intensify these relationships. The different organisations within the framework of the U.N.O. evidently cannot perform miracles of any kind by their mere existence; they are the moulds wherein to shape an active catalyzer in the process of civilisation and humanitarianism generally, by effective participation on the part of responsible governments and other centres of action, among them the great popular movements in the world. Therefore, it does not seem fair to complain of lack of tangible results at this early stage of creative effort; it should be evident to everybody concerned that the effectiveness of the United Nations Organisation and of its various auxiliary organs and institutions is bound to increase at a rapidly accelerating rate as all those whom they are intended to serve feel it their primary duty to strain their own efforts to offer the degree of collaboration required to attain the results so eagerly desired but which apparently cannot be born out of thin air.

## **Relations with other International Non-Governmental Organisations.**

The participation of representatives of the I.C.A. at United Nations Assemblies is promoting the relations between the I.C.A. and the other International Non-Governmental Organisations having Category "A" Status, and in particular with the W.F.T.U.

With the added weight of the Resolution adopted by the Zurich Congress (which also affected relations with Organisations of Agricultural Producers) the efforts to give effect to the desire expressed by the Central Committee in January, 1946, for closer relations with the W.F.T.U. were continued by correspondence, also by personal approach made by members of the Executive to officials of the Federation.

The first positive response came in June, 1947, when the Bureau Executive of the W.F.T.U. approved the Protocol of an Agreement between the Federation and the I.C.A., which was forwarded for the approval of the competent authorities of the Alliance. As the Executive Bureau also endorsed an earlier

proposal of the I.C.A. Executive for a joint meeting between representatives of the two Organisations, it was mutually agreed that the Protocol should be discussed on that occasion.

The joint meeting took place at Paris on 17th November, 1947. Those who took part were the President and General Secretary of the I.C.A., Dr. Weber and Mr. Brot, members of the Executive; Mr. Saillant, General Secretary of the W.F.T.U., and its three Assistant General Secretaries.

Agreement was reached on the following amended text of the Draft Agreement, which was approved by the Central Committee of the I.C.A. in May, 1948. The approval of the W.F.T.U. is awaited.

**The W.F.T.U. and the I.C.A. find that they are in agreement concerning the following aims:—**

- (a) The safeguarding and organisation of Peace in all freedom.
- (b) The improvement of living and working conditions for all peoples.
- (c) The establishment of a just and democratic economic and social order, guaranteeing to all a fair share in world resources, especially by the elimination of monopolies, trusts, and cartels.
- (d) The abolition of all discrimination based on sex, race, nationality, or religion.

**The two Organisations decide to draw up the following Agreement:—**

**Article 1.**—The two Organisations, after mutual consultation, shall co-ordinate their action and adopt a common attitude on the international level and with regard to International Organisations dealing with problems of common interest.

**Article 2.**—Collaboration between the two Organisations shall take place in the following ways:—

- i. Permanent contact between the Secretariats.
- ii. Exchange of information.
- iii. Periodical consultation on problems of common interest and on the action to be undertaken to find the solution for them.

**Article 3.**—The present Agreement shall come into force as soon as it has been approved by the competent authorities of each of the two Organisations and signed by the President and General Secretary of the W.F.T.U. and of the I.C.A.

With the **International Federation of Agricultural Producers** relations to date have taken the form of discussions between the General Secretaries of the two Organisations, and the sending of Observers by the I.C.A. to the Conferences of the Federation at Scheveningen in May, 1947, and at Paris in May, 1948; and contacts between the consultants of the two Organisations at the U.N. Trade and Employment Conference at Havana.

As the I.F.A.P. is also one of the International Co-operative Organisations invited by the I.L.O. to take part in the work of the Advisory Committee on Co-operation, this will afford an additional link between the I.C.A. and the Co-operative Commission of the Federation, apart from the fact that a number of Co-operative Producers' Associations are associated directly and indirectly both with the Federation and the I.C.A.

The International Chamber of Commerce before the war extended invitations to the I.C.A. to send an Observer to its Congress, and this practice was resumed last year, when Mr. Barbier was present as I.C.A. Observer at the Congress of the International Chamber of Commerce at Montreux in May.

It is obvious that the furtherance of relations between the International Non-Governmental Organisations can greatly enhance the importance of their collaboration with the United Nations Organisation and its Specialised Agencies.

## Co-operation in Germany.

The Report of the Central Committee to the 16th Congress chronicled the principal facts of the evolution of the German Consumers' Movement since 1937 which included the steps to date towards its reconstitution, and also reported the visit of an I.C.A. Delegation to the British zone in March, 1946. Close relations have since been maintained with the Organisations in the British zone, and as far as circumstances have permitted with those in the other three zones also.

In January, 1947, the second I.C.A. Delegation visited Germany to learn at first hand of the progress which was being made towards the reconstitution of the Movement. The first visit in 1946 was limited to a few centres in the British zone, but last year the four zones were visited. The Delegation consisted of the President and General Secretary, who were members of the first party, the late Johannes Huber, of Switzerland, and Mr. A. Klimov, who went in place of Mr. Khokhlov, President of "Centrosoyus." The American and French Movements had been invited to take part in the visit, but circumstances prevented this.

A very full Report was published in the *Review of International Co-operation* (March-April, 1947), and there is no doubt that the return of the representatives of the I.C.A. and the more extended tour of co-operative centres gave immense satisfaction, also moral stimulus. In May, 1947, the I.C.A. was represented by Mr. Albin Johansson, of Sweden, at the First Congress of German Co-operative Societies at Hamburg.

Since that time the German Movement has continued to grow, though under great difficulties, some of which are primarily **economic** in character and can only be overcome in the general process of German economic rehabilitation, while others are primarily **political** and closely linked with the general political problem of East-West tension. There is also a third type of difficulties, mainly **legal and administrative** in character; these were very much in the foreground at the beginning of Allied occupation, but some of them have already been overcome with the assistance of the I.C.A.

Before dealing with these three types of difficulties it is necessary to give a general survey of the present co-operative situation in each of the four zones and in Berlin. Although the efforts of the Secretariat to obtain full and authentic information on German Co-operative developments have not everywhere found support in the Movements of the countries now responsible for the administration of Germany, a considerable volume of information has been collected, and the picture built up on the basis of that information is fairly comprehensive and sufficiently detailed to allow conclusions to be drawn as to the success of the German co-operative reconstruction effort.

**In the British zone 169 Consumers' Societies existed at the end of May, 1948; of those which had made statistical returns as regards membership and turnover, 151 Societies had a total membership of 425,144. Compared with the position on 30th November, 1947, when 161 Societies reported a membership of 355,955, there was an increase of almost 70,000, which, in the circumstances obtaining at present, must be considered satisfactory, more particularly in view of the fact that all these new members joined voluntarily and were not attracted by privileges granted to the Societies in the distribution of certain goods. In fact, the Societies suffered from certain handicaps in relation to their less scrupulous competitors, such as inevitably result from conditions of extreme scarcity and a flourishing black market.**

The turnover of the Societies has fluctuated a great deal with the ups and downs of the general food supply situation. (Goods other than food play a very minor rôle in co-operative distribution in Germany, or at least did so up to the time of the currency reform—20th June in the West, 24th June in the East). In May, 1948, the turnover of the 130 reporting Societies in the British zone was R.M.24 million, of which the land North-Rhine-Westphalia accounted for R.M.16.2 million, Niedersachsen for R.M.4.1 million, Hamburg for R.M.2.4 million, and Schleswig-Holstein for R.M.1.2 million. North-Rhine-Westphalia is in every respect the spearhead of the co-operative advance, as a result of the fact that the Ruhr is at present, so far as Western Germany is concerned, the most co-operatively conscious region.

The statistics of the Central Union of German Consumers' Societies for May, 1948, which cover 133 affiliated Societies, give the number of co-operative shops in the British zone as 2,718 and the number of co-operative employees as 10,982. A comparison with the pre-nazi era and with the time of the capitulation shows to what extent the nazi régime and the war reduced the Movement's retailing machinery, and what has been done in the post-war period when building was almost impossible: co-operative shops in the British zone in 1930—5,089; Versorgungsringe shops at time of capitulation—2,500; co-operative shops in May, 1948—2,718.

**In the French zone in May, 1948, there were 33 Consumers' Societies with 703 shops and 45,082 members, which reported a total turnover of R.M.4,490,000 for May. The formation of Consumers' Societies in 1947 was preceded by the formation of Consumers' Co-operative Regional Unions (Landesvereine) in the three länder of the zone in 1946. But in the French zone, as in the American, the Consumers' Societies have not regained full control of the former co-operative property which has, however, been transferred to the Länder Governments by the Military Government with the instruction that the Länder Governments issue regulations on the restitution of the property.**

**In the United States zone 63 Consumers' Societies with 1,998 shops and 161,719 members supplied statistics for May, 1948. Their total turnover amounted to R.M.17.5 million in May, and the number of employees was 7,673. The three länder in the U.S. zone issued laws for Co-operative Societies in 1947 which in their main contents were similar. They repealed national socialist laws and regulations which were directed against the Consumers'**

Societies and regulated the formation of Co-operative Societies, but the newly formed Societies had not regained control of the former co-operative properties by April, 1948.

For the three Western zones the total co-operative trade for 1947 was RM.443.1 million, distributed as follows: British zone—RM.215.1 million; U.S. zone—RM.163.5 million; French zone—RM.64.5 million. The turnover figure for the French zone would have been appreciably larger but for the fact that they do not include the sales of the Saar District Consumers' Societies, some of them very big enterprises, for the last quarter of the year, owing to the economic incorporation of the Saar into France.

In the Soviet zone the Consumers' Societies enjoy the full support of the ruling party, the Sozialistische Einheitspartei Deutschlands (S.E.D.), and of the authorities. From a purely quantitative point of view, the development of the Consumers' Societies in the zone is impressive. The last figures available show a membership of 1,808,101 for February, 1948, and a monthly turnover of about R.M.160.5 million, but it must be mentioned that the turnover includes an abnormally large proportion of high-priced spirits and tobacco, as the following breakdown of the February figures shows: Total turnover of co-operative retail shops, not including spirits and tobacco—RM.48.7 million; total turnover of Co-operative Societies, including wholesale sales but not including spirits and tobacco—RM.63.7 million; total turnover of Co-operative Societies, including spirits and tobacco—RM.160.5 million.

In addition to the 218 Consumers' Societies operating in the zone in April, 1948, there exist in Eastern Germany six Co-operative Länder Unions which, however, differ from similar Unions in Western Germany in that they have not only auditing and promotional functions, but are also trading and productive enterprises on a large scale. They act, in fact, as Regional Wholesale Societies. The Länder Unions' zone took over four Branch Depôts and 15 productive plants of the G.E.G. situated in their area of operation.

The position in Berlin co-operatively is unsatisfactory—the two Societies in the British sector had only 6,200 members and a turnover of RM.100,000 in May, 1948. The reasons for the unsatisfactory co-operative development are obviously that the area of operation of the former Berlin Society has been torn by artificial Sectional frontiers, and no uniform approach to Consumers' Co-operative reconstruction has proved possible.

**The Grosseinkaufs-Gesellschaft Deutscher Konsumgenossenschaften** G.E.G., German Co-operative Wholesale Society, Hamburg, which was admitted to membership of the I.C.A. in May last, is the only Central Co-operative Organisation in Germany which survived the nazi régime with its legal identity unimpaired. It is true the nazis altered the basis on which the legal structure of the Society rests by transferring the shares to the Labour Front (previously they had altered its name, which clearly indicated their intentions at that time). But now the true co-operative basis has been restored by the decision of a Constituent Meeting of the new shareholders in the three Western zones, held at Herne (Westphalia) on 23rd April, 1948, to distribute the shares to the member Co-operative Societies again or—as regards the Societies in the Russian zone—to hold them in trust until the Eastern zone Societies have a chance to collaborate freely with the G.E.G. This decision proves that the German co-operators in the Western zones are

doing everything possible to promote the unity of their Movement; they have left the door wide open for Eastern Germany to come in, with the proviso, however, that the Eastern German Societies are masters in their own co-operative house, and that the property of the G.E.G. in the Eastern zone is returned.

Though the G.E.G. is functioning as a wholesaling and productive centre only for the Western zones at present, it has made good progress—turnover in 1947 was RM.178.9 million, compared with RM.113.4 million in 1946 and RM.77.3 million in 1945. In the first five months of this year total sales reached RM.140.6 million, which is about 100 per cent increase over 1947. The turnover of the G.E.G. productive works also shows a steady expansion rising from RM.33.6 million in 1945 to RM.42.5 million in 1946, RM.62.9 million in 1947 and RM.32.1 million, January to May, 1948. But the fact that the capacity of its productive works is calculated for the needs of the whole German Movement makes it very difficult to expand their output to the most remunerative point—full capacity. Nevertheless, it is expanding, and the G.E.G. has even started new ventures such as a fruit preserves factory in conjunction with Agricultural Co-operative Societies, and a Deep Seas Fishery enterprise in conjunction with the Trade Union Federation.

The **economic difficulties** which have stood in the way of co-operative expansion in general are considerable. They are partly the result of general world shortages, and of the complete exhaustion and disorganisation of German economy through the war, and are partly an outcome of the aftermath of war. With the gradual recovery of German economic activity, however, to which Co-operative Societies of all types must make their full contribution, these difficulties are lessening, though it may be years before they quite disappear.

The currency reform in June has brought a quickening of the pulse of German economic activity, and as far as goods supply is concerned has much improved the economic situation, from which improvement the Co-operative Societies are reaping their share of benefit. No statistical data, however, is yet available of retail and wholesale turnover development following the currency reform.

So far as international co-operation is concerned, the most effective help which the German Movement could receive in its economic reconstruction effort would be the restoration of trade relations with the Movements of other countries. Encouraging beginnings have been made, and it is to be hoped that the restoration of a stable German currency will open the way to larger trading exchanges through the International Co-operative Trading Agency.

So far as the **political difficulties** are concerned, they are mainly a result of the zonal frontiers between Eastern and Western Germany, which were never meant to be trade barriers, but tend to become ever stronger barriers to trade, also to ideas, news, &c., the more the gap widens between the economic and political structure of the Eastern and Western zones. Germany lives in a field of tension between two ideologies and between two political systems, between two fundamentally different conceptions of what society is and what is the place of man in that society. The German Co-operative Movement cannot but be affected, but it is the very earnest hope of the I.C.A. that it may not be irrevocably torn asunder by this tension. In these

circumstances the intensification of the national and international co-operative effort for the restoration and maintenance of world peace is the most effective help which the I.C.A. can offer.

In order to relieve the legal and administrative difficulties which confronted the German Movement, the I.C.A. has on many occasions intervened with the Occupation Authorities; particularly, it has strongly urged the return of co-operative property expropriated by the nazis. The latter problem, which was settled in principle in April, 1947, in the British zone (in the Russian zone it was, in effect, settled in 1945), has proved more complicated than was at first anticipated, but it is hoped that soon the last difficulties will have been overcome. The I.C.A. has also intervened in the fight for a just taxation law in favour of the recognition of the mutual help character and social significance of the Co-operative Consumers' Societies; it has concerned itself with the problem of a just allocation of available supplies of food and other commodities to the Societies, a question which is now entirely within the sphere of competence of the German Länder authorities. As regards the allocation of supplies in the British zone, the Societies' main complaint and difficulty was that the static system of the so-called datum line allocations (with 1946 as basis of assessment) was prejudicial to them, since it could not take account of their growing membership. Now Societies receive their allocations in accordance with—or nearly so—the actual membership.

### **The Central Union of German Consumers' Societies.**

The reconstruction of the Regional Auditing Unions and of the Central Union of German Consumers' Societies has been another problem to which the I.C.A. has given considerable attention, and for the solution of which the German co-operative leaders have worked unceasingly.

Actually, a Central Union in Planning, Zentralverband Deutscher Konsumgenossenschaften "in Planung," has been in existence and has functioned since 1945, but it was not until the 7th May, 1948, that, in accordance with a new German Law, the Central Union of German Consumers' Co-operative Societies for the Combined Areas (Zentralverband deutscher Konsumgenossenschaften für das Vereinigte Wirtschaftsgebiet) was formed in Wiesbaden by the representatives of the Co-operative Unions of the Länder of the Combined Area (British and U.S. zones).

The position of the Consumers' Co-operative Societies in the French zone as regards the Central Union is that, for the time being, they are "sleeping partners" pending the expected affiliation of the French zone to Bizonia. If, however, that affiliation is not realised, the Central Union will apply to the Military Governments for the affiliation of the Consumers' Societies existing in the French zone.

As regards the Consumers' Societies in the Soviet zone, as soon as the political situation permits, no effort will be spared on the part of the officials of the Central Union to come to agreement with the leading co-operators in the Eastern zone.

The Central Union has applied for membership of the International Co-operative Alliance, and its application will be considered by the Executive at their meeting in Prague immediately prior to the Congress.

The Central Union "in planning" reconstituted its Education Commission which organised a considerable number of training courses, mostly for co-operative employees, including a very thorough and comprehensive two-month course (March and April, 1948) for training selected students for leadership in business. The Education Commission was also responsible for the acquisition and organisation of the new Co-operative Residential School at Wilhelmshaven-Rüstersiel to be opened in August, which will be the centre of co-operative employee training in Western Germany, and later, it is to be hoped, for the whole country. Another educational venture is the creation, jointly by the Consumers' and Housing Co-operative Movements, the Trade Unions, and the Hamburg State, of an Academy of Collective Economy, closely associated with Hamburg University. The Academy will afford special study of co-operative subjects, and will be attended by many students sent by Co-operative Organisations. In this connection it may be remarked that the German Universities are paying more attention to the Co-operative Movement than they did in pre-nazi times. The Universities of Marburg and Erlangen, for instance, have established special seminaries for the study of Co-operation.

Apart from the educational activity of the Central Union, many local Societies have taken the initiative in co-operative propaganda and education. Thus, in July, 1946, the Societies in the land North Rhine-Westphalia formed a Committee for the co-ordination and promotion of propaganda and educational activities; the following year 40 Societies organised 117 courses for employees, Board and Committee members, women, youths, &c., which were attended by more than 3,200 people. Meetings, individual lectures, and organised visits to factories and business premises, numbering in all 1,608, attracted over 93,000 participants. Special mention must be made of the organisation of Co-operative Women's Guilds through the Women's Section of the Central Union. The work of the Section has been singularly successful. Co-operative women in many places have responded enthusiastically to the call to organise Women's Guilds, and there are now about 50 active women's groups in Western Germany, organising lectures, courses, social meetings, &c.

There are still a number of co-operative problems unsolved, such as the foundation of a G.E.G. Bank with the right to operate as a Savings Bank throughout the whole country. This problem has been involved with that of the decentralisation of the big commercial banks, but the I.C.A. will do its utmost to secure unfettered freedom of development for co-operative banking in Germany as it exists in other democratic countries.

Full freedom for genuine co-operative development for Consumers' Co-operation as well as for other types of co-operative endeavour has been the fundamental aim of all I.C.A. efforts on behalf of the German Movement, for it is convinced that the Movement, if given freedom of action, will not only re-assert itself, but will play an increasingly important part in the reconstruction of a democratic German peace economy, especially if the different sections of the Movement combine their forces in a common co-operative effort.

The first essential is the unity of the Consumers' Movement in all zones of Germany. Only a united Movement will be able to utilise to the full all opportunities for co-operative expansion and to guarantee maximum efficiency of service to the consumers.



Then there is the need for a still greater collaboration of the different types of co-operative activities. The German Agricultural Co-operative Movement, which suffered less under the nazi régime and from the war than the Consumers' Movement, seems to-day more than ever prepared for common co-operative action, while the Housing Societies and the productive enterprises of the building workers which are being reconstituted will have a wide field of joint activity before them as soon as the physical and financial conditions for large-scale rebuilding are fulfilled. It is to be hoped that all sections will one day form together one strong, consolidated German Co-operative Movement, conscious of its international responsibilities, and fully collaborating in the councils of the International Co-operative Alliance.

## Co-operation in Austria.

Steady progress has been made in Austria during the past two years in the task of co-operative reconstruction, and the leaders and the members of the Austrian Consumers' Co-operative Movement are to be congratulated upon having achieved the rebuilding of the Movement which to-day is democratically inspired, financially sound, and full of initiative. But it is as yet numerically small; it comprises 30 District Societies with 130,000 members, who are supplied through a network of 1,300 shops.

The Central Union has recommenced its advisory and auditing functions, also its propaganda and educational activities. The importance of the economic activities of the Consumers' Movement can best be judged by the fact that it is participating in the retail trade of the country to the extent of 10 to 15 per cent. The Austrian Co-operative Wholesale Society is a very important feature in the collection and distribution of home-grown foodstuffs as well as in the importation and distribution of foodstuffs.

One of the greatest problems which has faced the Movement since the liberation of the country is the restitution of co-operative property. The recognition by the four occupation Authorities of the legal claim of the Movement to all property of the Gemeinschaftswerk provided the legal foundation for the return of the properties in question, and on the 19th November, 1947, the Austrian Parliament unanimously passed a Law which entitled the Austrian General Consumers' Society to take over the property and distribute it. Since 1945 this property had been formally under public administration, with four Administrators in the persons of elected co-operative officials, who were appointed by the Government. The Administrators have performed their task in accordance with the decisions of the co-operative authorities, and the transfer of the property to the Austrian General Consumers' Society is being carried out with retrospective effect as from the 1st January, 1948.

The distribution of the property to the local and central co-operative organisations having a rightful claim to it presents a much more complicated task, which is not likely to be finally accomplished until the end of 1949.

The Austrian Central Union is collaborating with all its former interest and zeal in the work of the I.C.A., and the Austrian Consumers' Movement is making its full contribution to Austrian reconstruction.

## Co-operation in Italy.

The restoration of personal contacts between the I.C.A. and the reconstituted Lega Nazionale delle Cooperative, whose membership dates from the creation of the I.C.A. in 1895, took place at the Zurich Congress. Its re-admission to membership was decided at the first meeting of the new Executive, and in May of this year the Committees of the Alliance met in Italy at the invitation of the League, after an interval of 26 years. In the meantime, the relations of the I.C.A. with Italian Co-operation had been extended by the acceptance into membership of the Confederazione Cooperativa Italiana.

The object of this section of the present Report is to give a brief indication of the progress towards the reconstruction of the Italian Movement which, both materially and spiritually, is a tremendous task. Had the Movement been united the task would doubtless have been less difficult, but unfortunately the pre-fascist divisions showed themselves again soon after the liberation of the country.

On this aspect of the task an eminent Italian co-operator wrote: "This lack of unity is particularly regrettable in view of the social and economic changes which are now taking place in Italy, and in which the Movement should be ready to assert its claims and defend its rights to speak with one voice, backed by the combined strength of all its constituents."

The new democratic Italian State has shown some definite signs of a friendly interest in Co-operation. For instance, by easing the taxation burden of the Co-operative Societies; by granting uncultivated land to Agricultural Co-operative Societies, and loans to Ex-Service Men's Co-operatives; by enabling Workers' Productive Societies to obtain large public contracts; also by the creation of the office of Director General of Co-operation by the Ministry of Labour and Social Insurance for the purpose of unifying all Government activities concerning Co-operation.

On the 14th May, 1947, to the profound satisfaction of all the Italian Co-operative Organisations, the Movement received public recognition and support from the Constituent Assembly by the adoption of the following clause for insertion in the Constitution of the new State:—

"The Republic recognises the social function of the Co-operative Movement based on mutuality and the exclusion of the private profit motive. The Law favours the development of the Movement by the most expedient means and safeguards its aims by appropriate control."

This was followed by the promulgation of a new Co-operative Law and the establishment of a Co-operative Credit Service by the National Labour Bank, both of which events were regarded as contributing appreciably to the recovery of the Movement.

But in spite of these signs of the interest of the State in Co-operation, very considerable disappointment is felt by the leaders of the Lega Nazionale delle Cooperative that no steps have yet been taken to solve the problem of the heavy co-operative losses which resulted from fascist violence in the years immediately preceding and throughout the régime, particularly the expropriation of land and buildings of the Credit Institute for Co-operative Societies, which owed its creation to the accumulated savings of the workers.

The total value of these losses is estimated at Lire 90 milliard. Disappointment is also felt with regard to the insufficiency, under the prevailing monetary conditions, of the credits granted by the State to the Co-operative Movement. In addition, the re-imbusement of payments for works carried out by Labour Co-operative Societies for the State are said to proceed very slowly, and the Lega Nazionale delle Cooperative is of the opinion that the situation regarding the financing of the Movement as a whole would be considerably relieved if a special fund with adequate means could be created by the State for this purpose. Another desire on the part of the Lega Nazionale della Cooperative is for a complete reform of the Co-operative Legislation of the country.

The Lega Nazionale delle Cooperative had hoped to participate in the I.C.A. Relief and Rehabilitation Fund, but unfortunately the conditions under which permission was granted by the British Authorities for the launching of that Fund did not permit of any part of it being allocated to the Italian Organisations. The representatives of the Lega Nazionale on the Central Committee, during the meeting at Rome, appealed for consideration of the special needs of the Italian Societies, and the possibility of responding to the request in a practical manner is to be studied by the Executive immediately after the Congress. A further proposal from the Lega Nazionale for the creation of an International Co-operative Solidarity Fund for the purpose of helping Organisations in distress will also be studied by the Executive.

A noteworthy feature of the first two post-war years was the carrying out by the General Director of Co-operation of a census of the Consumers' Co-operative Movement in Italy, from the results of which two main conclusions were drawn, namely, that too many small Societies had been founded (over 3,000), and that most of them were financially weak.

The latest figures of the strength of Italian Organisations affiliated to the I.C.A. are: Lega Nazionale delle Cooperative, 10,689 Societies; 3,008,673 members: Confederazione Cooperativa Italiana, 7,852 Societies; 1,372,843 members. It is also worthy of note that during the last six months the Lega has brought into existence three important National Federations, namely: Alleanza Italiana Cooperative di Consumo, Alleanza Italiana Cooperative Agricole, Alleanza Italiana delle Cooperative di Produzione e Lavoro.

## Co-operation in Japan.

Contacts with Japanese co-operative circles have been particularly difficult to re-establish, and consequently the information received is not extensive.

“Sangiokumiai Chuokai,” the Central Union of Japanese Co-operative Societies, which was formerly affiliated to the I.C.A., was during the war amalgamated with several agricultural organisations into the National Agricultural Association. Subsequently, and following the enactment in 1947 of an Agricultural Co-operative Association Law, the National Agricultural Association became one of the constituents of the Department of Agricultural Co-operative Associations of the Agricultural Rehabilitation Council, which was established to give advice and support to farmers on the organisation and management of Agricultural Co-operatives.

Through this Department, which has established contact with the I.C.A., every endeavour will be made to follow co-operative activities in Japan and to develop relations. The first step in this direction is by the sending of I.C.A. publications and general co-operative information to the Department.

## The Promotion of Co-operation.

Although the promotion of Co-operation in all countries has always been one of the Objects of the I.C.A., it has not yet been defined as part of the programme of its activities. In the period between the two world wars the Committees gave serious consideration to the possibilities and necessity of organising "missionary propaganda" in countries where the Movement was weak or where Co-operation was unknown, and early in 1931—when the prospects as regard the finances of the I.C.A. seemed more favourable as a result of the general stabilisation of European currencies—it was decided to allocate £500 a year for this purpose (total subscriptions at that date were between £7,000 and £8,000). But even this modest scheme was not realised because, before the end of the year, the abandonment of the Gold Standard by Great Britain and other developments had adversely affected the financial position of the I.C.A.

During the second world war, when much of the normal work of the Secretariat was curtailed, a study was made of the extent to which Co-operation had developed in the British Colonies. Actually, this was the first comprehensive study of the question to be undertaken, and the results were published in the now well-known series of surveys in the *Review of International Co-operation* in 1942; they also provided an important part of the basic documentation for a book, *Co-operation in the Colonies*, published by the Colonial Bureau of the Fabian Society, London, in 1946.

The study on the part of the Secretariat has continued, and up-to-date surveys are published whenever suitable material is available.

Following the coming to power of the British Labour Government in July, 1945, the question of the promotion of Co-operation in the Colonies received very early attention, and was discussed with the leaders of the British Co-operative Movement. Before that date the British Union had considered its special responsibilities for helping the young Colonial Movements, and proposed, as a first step, to offer facilities for Co-operative officials in these countries to take courses at the Co-operative College. In the past four years the College has received a growing number of students, and in this way the British Union is making a very practical contribution to the development of Co-operation in the countries concerned.

The earnestness of the new British Colonial policy was seen by two important despatches from the Secretary of State for the Colonies to Colonial Governments in March, 1946, in which the economic and educational advantages of Co-operation were stressed. The first of these despatches contained a Memorandum on the recruitment and training of co-operative staff and the text of a model Co-operative Society's Ordinance; the second contained the text of draft model Co-operative Rules.

A survey of the present position of Co-operation in British Colonies shows that co-operative development is now regarded as a comprehensive requirement, embracing Co-operative Credit, Marketing, and Consumption, also

that the two latter forms of activity are receiving increasing attention. Practically all the important British Colonies now have adequate legislation, and most of them have Co-operative Departments.

Other Governments are also considering the promotion of Co-operation in their Colonies. The Belgian Government, at the end of 1947, decided to develop Co-operation in the Belgian Congo on a large scale. Co-operative Societies exist already in the Belgian Congo, but they have no legal background, and in most cases their creation has been stimulated by public administration. With a view to promoting the creation of new Societies and to stabilising them, an enquiry into the present position is being carried out in the Congo and certain other Belgian Colonies.

The publication of the Colonial surveys in the *Review of International Co-operation* has focused much attention upon the needs and possibilities of Co-operation in the British and other Colonies, as well as in economically under-developed territories generally, while the active interest of the I.C.A. for the development of Co-operation and for the promotion of social and economic progress in general in these areas has become widely known. One result has been that the I.C.A. has established a number of contacts with Co-operative Organisations in Colonial and other under-developed countries.

The more the problem is studied, the more the need for help is revealed. While these Movements are in their infancy, official support and promotion is necessary, but the ultimate goal must always be an independent, democratic Organisation. The I.C.A. has a direct contribution to make towards promoting co-operative organisations in the under-developed areas. The lines upon which it will work have not yet been decided, but undoubtedly they will be largely educational in character, while the value of sending out field workers must not be minimised; the establishment of economic relations between these young and the older National Co-operative Movements, too, will be a very important part of the programme. Such relations should be envisaged on a wide basis, to include supply and marketing, credit, &c., although in some respects they might be limited by existing official marketing schemes and import quotas.

The wide programme of the United Nations Organisation for the economic and social advancement of the vast under-developed areas of the world, as expressed, for example, in the Charter of the International Trade Organisation and in the setting up of Economic Commissions for those continents where the under-developed countries are predominant, provides ample opportunity for the promotion of Co-operation as a means of raising agriculture and furthering industrialisation, also of utilising the natural resources on a non-profit basis. The introduction and furtherance of a co-operative, non-profit economy at an early stage of the general economic development of these vast areas is evidently bound to have a corresponding influence on the solution in a progressive spirit of the very important international problems of a freer interchange of goods and of access to the natural resources of the world on free and equal terms for all nations.

The I.C.A. in its relations with the United Nations Organisation has taken the opportunity of pointing out the great advantages for the under-developed countries in general of encouraging the creation and growth of Co-operative

Organisations on a free and voluntary basis, and should be prepared to offer them all possible assistance, as well as to receive these Organisations into membership at the earliest possible stage of their development on lines conforming to the rules and aims of the I.C.A.

In the light of the reports and information given to them from time to time by the Secretariat, the Central Committee have decided to bring the question before the Congress, both in their Report and in a Resolution which will be moved on the Report in the name of the Central Committee.

## Obituary.

The Central Committee place on record their high appreciation of the lives and service of two colleagues who have passed away since the last Congress—

Mr. J. W. Keto, Finland,  
who was elected to the Committee at Zurich;

Mr. Johannes Huber, Switzerland,  
who was appointed to the Central Committee and to the Executive in 1945 and re-elected at Zurich Congress;

of a former member of the Central Committee and Executive—

Mrs. Emmy Freundlich, Austria;

also of the Secretary of the International Banking Committee—

Mr. J. Chapman, Great Britain.

In paying tribute to the memory of these collaborators, the Central Committee remember, too, all other co-operators, men and women, who have died since Congress last met and who had made their contribution to the Cause of Co-operation and Peace.

**Rusholme,**  
President.

**Thorsten Odhe,**  
Director.

**G. F. Polley,**  
General Secretary.

## Discussion on the Report of the Central Committee.

**The President:** It is my responsibility to submit to you the Report of the Central Committee on the Work of the Alliance during the two years since the Zurich Congress. I am not going to claim that in that very brief period we have achieved all that we would desire, but I do say that a great measure of essential constructive work has been performed, and which is indispensable to our future success. I want the delegates particularly to realise that the period covered by this report is the unusual period of two years, and not, as has been customary, of three years; also that those two years constitute a period characterised by quite unprecedented economic difficulty and unexpected political friction. During the course of the war I emphasized a number of occasions in the *Review of International Co-operation*, what seemed to me to be obvious, that the post-war task of the Alliance could not possibly be an easy one after long years of such immense waste and destruction.

The first task was to marshal our ranks, and it will be seen from this Report that the membership of the Alliance is expanding in a satisfactory manner. We are particularly pleased that we have once again in membership with us three movements which had been crushed by nazism and fascism: the Italian Co-operative Movement, now represented by two National Federations, the Austrian Central Union, and the German Co-operative Wholesale Society.

During the last twelve months we have been getting our machinery into order to carry on the work of the Alliance in the efficient way which all its members have the right to expect. To-day at my side is the new Director of the I.C.A., Mr. Thorsten Odhe, who is well known to many of you. Mr. Odhe comes to us from the Swedish Co-operative Movement with a fine record of service, and he has recently rendered great service by acting as the representative of the Alliance at meetings of the United Nations Organisations. He will be undertaking heavy and responsible duties, but I am sure that, with his knowledge and ability, he will be able to give that real service which we expect from him and which we know he is capable of giving.

Since the last Congress also Miss Polley, that faithful servant of the Alliance for over thirty years, who carried the Alliance during the war years, has been appointed its General Secretary. She is now officially charged with the conduct of the internal affairs of the Alliance, and, as you well know, it is as a result of her endeavours that you are meeting here to-day. I want to pay a personal tribute to Miss Polley for her outstanding services during the past two years, and indeed during the past thirty years. I am confident that in her we have an outstandingly capable servant whose whole heart and soul are devoted to the cause of the Alliance and International Co-operation.

It is not my intention to say anything further concerning the Report which is before you. I hope you have all read it, that you will show an interest in it and will not hesitate to contribute your views upon the problems with which it deals.

In the name of the Central Committee I submit their Report, which we will discuss page by page.

**Close of First Session.**

## SECOND SESSION.

Monday afternoon.

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### Discussion on the Report of the Central Committee (*continued*).

**The President:** Before we start discussing the Report, I want particularly to draw attention to the Standing Orders Governing the Procedure of the Congress. If you will read Standing Orders 8, 9, 10 and 11, which lay down the amount of time which shall be granted to each speaker, you will see that the movers of resolutions are allowed ten minutes, and other speakers five minutes only.

#### Introduction.

**Mr. N. P. Sidorov, U.S.S.R:** addressed the Congress in Russian. After he had spoken for more than five minutes,

**The President** said: I must insist, Mr. Sidorov, that you conclude your speech. I am loth to believe that you are deliberately infringing the Standing Orders of the Congress, which, as I hoped I had made clear, provide that no delegate shall speak for more than five minutes. I expect that members of the Central Committee will abide by the Standing Orders, which they themselves drew up.

As Mr. Sidorov continued to speak, **The President** said: I cannot allow you to go on as you have already greatly exceeded your time. The Congress cannot proceed unless Standing Orders are observed.

**Mr. Sidorov's** speech was then interpreted: Two years have passed since the 16th Congress of the I.C.A. Let us look back at the way we have come; let us analyse the work that has been done during this time by the Central Committee of the I.C.A., and, summarising our achievements, set up new perspectives for the future. Every delegation, every country, all the members of the I.C.A., must fulfil their duty conscious of their great responsibility for the work done, requiring a clear understanding and respect for the truth, that has to be paramount. Looking back, the Soviet delegation is obliged to state that during the period under review there were many serious shortcomings in the work of the Central Committee. These shortcomings must be disclosed with determination and judged as they deserve. They were mainly in respect of the attitude of the Committee to the fulfilment of the Resolutions of the 16th Congress. These Resolutions were not put into effect; the Central Committee did not use all the possibilities of the Alliance and of the National Co-operative Organisations in their fight for peace and democracy, and against imperialist war-mongers.

Three years have already elapsed since the débacle of Hitlerite Germany, but we co-operators, who have met here, are again troubled by the provocative activities of the war-mongers. The reactionary circles of the U.S.A. have been



in a hurry to assume the part of conspirators and organisers of a new world war. It is natural to ask why. "The war," said Generalissimo Stalin, "has torn off all the masks and veils which hid the true countenance of the States, the Governments, the parties; it has shown them unmasked, without any embellishment, with all their shortcomings and merits."

After the end of the second world war, the co-operators in all countries learned to discriminate better in questions of international policy. One of the most important results of the war is the strengthening of the U.S.S.R. and the establishment of democratic régimes in a number of countries under the leadership of the working class. The new democratic power in Poland, Bulgaria, Rumania, Czechoslovakia, Hungary and Albania bases itself on the support of the working masses; and it has put into effect, during a very short time, important democratic measures which could never have been realised by the bourgeois democracies. The agrarian reforms, the nationalisation of large industrial enterprises, banks and means of transport, the seizing of the power by the peoples themselves, have not only liberated these countries from the chains of capitalism, but have created conditions for transition to the path of socialist development. One of the most brilliant expressions of the process of progressive development of mankind is the tempo of reconstruction and development of the people's economy, co-operation, and the rise in the well-being of the population of the Soviet Union. Following the war the people of all the world, as never before in history, have understood, by the example of the Soviet Union, how great are the advantages of the Soviet social and state order as compared with the capitalist order. They have clearly seen the might, the valour and moral grandeur of the socialist state, the decisive rôle of the Stalin post-war five-year plan for the fate of mankind, striving for peace, security and freedom; and the simple co-operators are drawing their own conclusions. The imperialists have good reason to be annoyed.

Great changes that have taken place in the international situation, and in the position of some countries, have changed the distribution of political forces in the post-war period. The world is split into two camps—the camp of imperialists and anti-democratic people, whose leaders are the ruling circles of the U.S.A., and the democratic, anti-imperialistic camp led by the Soviet Union. The chief aims of the imperialistic camp are to strengthen imperialism, to prepare a new imperialist war, to fight against socialism and democracy and to support reactionary and anti-democratic, pro-fascist régimes and movements.

The co-operators of all lands are fully aware that the military treaty of the five Western Governments cannot be regarded as a treaty of self defence. We cannot accept the Marshall Plan as the economic help of the U.S.A. to European countries. Disclosing the real meaning of this plan, Molotov pointed to the Paris Conference on the 2nd July, 1947: "And so, the question concerning the American economic help, that is still now not quite clear, has been the purpose for the British and French Governments to create a new organisation, that is dominating the European countries, intruding into their home affairs to such an extent as to fix the ways of development of the main branches of industry in these countries, and England and France with their satellites are pretending to have a dominating position in this organisation." The Soviet people, as well as really democratic and progressive circles in all

other countries, are against the Marshall Plan, because it means the supremacy of the American monopolists over the Western European countries, and a renouncement by these countries of their sovereignty and independence in favour of the magnates of American capital. The realisation of this plan meets with growing opposition on the part of the peoples in Western European countries. It is well known to co-operators of all countries that the governing circles in the U.S.A., in England and France are helping the Athens Government to carry out mass executions of Greek patriots, who have struggled against the German occupants, that they are stimulating the civil war in China, and arranging a bloody chastisement of the freedom-loving peoples of Indonesia and Viet-Nam. By the order of the U.S.A. Government, the French Government has opened the French-Spanish border, and the English Government has drawn up a trade agreement with Franco. The London Conference of Foreign Ministers of the U.S.A., Great Britain and France, into which the countries of Benelux were drawn, has made a decision which has completed the splitting of Germany, which is against the interests of the German people, and has for its aim the restoration of fascism and the preparation of a new world war.

The end of the second world war placed before all freedom loving peoples, including co-operators, the important task of securing a lasting democratic peace which would consolidate the victory over fascism. Whenever the question of securing peace and of struggling with the war-mongers is raised, the Soviet co-operators raise their decisive voice. The Soviet co-operators are using the tribune of the 17th Congress of the I.C.A. to call on co-operators in all countries, regardless of political and religious convictions, to unite their efforts in the struggle for international peace and democracy, against the war-mongers who would prepare for a new world war. The Soviet co-operators are carrying on their struggle for a solid and lasting peace together with progressive co-operators of all countries. They form one of the units of the International Co-operative Alliance. Soviet co-operators, fighting for lasting peace and security, wish to have friendly relations with the co-operators of all lands having the same aims. Soviet co-operators are ready to become friends with all co-operators fighting for world peace and security, against imperialist war-mongers, for the unity of the International Co-operative Movement, and for the improvement of the economic position of the toilers.

The delegates to the Congress have the right to ask the leaders of the Central Committee of the I.C.A. what the Alliance has done to prevent a new world war, to mobilise co-operators throughout the world, and to strengthen world peace and democracy against war-mongers. The first and most important task of the Central Committee and of the National Co-operative Organisations in all countries is to fight for the unity of the Co-operative Movement and for peace and security. The co-operators of the whole world must summon the Central Committee to give up the famous political neutrality of the Alliance and to join in the active fight against war and its causes, in order to secure a just and lasting peace. The best way to fight for peace is to develop democratic forms of the state and of the social life of the people. Co-operators must support all progressive measures taken by the democratic Governments to assist in the fight for peace and democracy. In this way, a stable base will be created for the realisation of the main task of Co-operation, which is to improve the well-being of millions of co-operators

and of the working masses. The success of the active fight of co-operators for peace and democracy will depend to a large degree on the leaders of the Central Committee and on the National Co-operative Organisations. It would not be right to imagine that the task of liberating the Co-operative Organisations from fascist elements and persons who are opposed to the aims and tasks of the International Co-operative Movement has been accomplished. One of the reasons for the success of democracy is the active and self-sacrificing participation of co-operators and their National Organisations in the fight against reaction. Co-operators of the world! Expose the war-mongers, who are craving for new capital at the expense of millions of lives of simple people! Fight against reaction! Join with other democratic organisations which are fighting for peace and democracy! Fight for the unity of all the forces of democracy! Demand an unconditional and immediate realisation of the decisions of the United Nations regarding the struggle with war-mongers, the decrease of armaments, and the destruction of supplies of atomic bombs!

**Mr. D. S. Krayoushin**, U.S.S.R., spoke in Russian. After he had spoken for more than five minutes, the **President** said: I must ask the speaker to resume his seat. The Congress cannot proceed if there is to be an entire disregard of the Standing Orders.

**Mr. Krayoushin**, interpreted: The Report of the Central Committee refers to the progress of National Co-operative Organisations, and I should like to speak about the achievements of our Soviet co-operators. Having returned to peaceful labour, our people have achieved great success in the restoration and further development of our socialist economy and in restoring and strengthening the constructive might of the Soviet Union during the last three years. The working people of the Soviet Union have undertaken a gigantic constructive effort in order to give effect to the historic tasks set by Stalin. "We must," said Stalin, "within a short time cure the wounds inflicted on our country by the enemy and restore the pre-war level of our economy in order to improve the well-being of our people and, still more, to strengthen the military and economic force of the Soviet Union." This instruction outlined the form of the post-war five-year plan for the restoration and development of Soviet economy. The workers, the collective farmers and the intellectuals raised the banner of socialist emulation for the fulfilment of the post-war plan in advance of the dates laid down. The increase of industrial and agricultural production created favourable conditions for the development of commodity circulation and this made possible the abolition of the rationing system, and the introduction of open trading. The abolition of the rationing system, and the introduction at the same time of monetary reform and a reduction of prices for consumer goods, immensely improved the well-being of the working people. In this way, the conditions exist for the further and rapid raising of the level of well-being of the masses of our people.

Consumers' Co-operation plays a very important part in the development of commodity circulation. Being a mass organisation of working people, it was able to secure a further improvement in the supply of goods to the working masses in town and country and an increase in the real wages of factory and office workers. The victory of socialism in the U.S.S.R. created entirely new conditions for the development of commodity circulation and for the further development of Consumers' Co-operation. With the victory of the

socialist system in all fields of national economy, the capitalist sector was excluded from trade and the economic foundation of Consumers' Co-operation became not the small, individual peasant homestead but the continuously growing economy of collective farming and socialist industry. This opened up new and wide opportunities for the development of Consumers' Co-operation and the improvement in the supply of goods to the working people of town and country. It has had to overcome many difficulties which confronted its activity in the post-war period, since many Organisations had to start their work all over again from the beginning, having been deprived of all property and working capital. Financial help was given to them by the Co-operative Organisations of the R.S.F.S.R., Kazan, Georgia and Azerbaidjan, which sent Consumers' Co-operatives of the Ukraine and Byelorussia 1,156 million roubles, while Government credits were given to finance commodity circulation, thus allowing the Consumers' Co-operatives quickly to restore the destroyed economy and further to develop their activities. These achievements of Soviet Consumers' Co-operation vividly demonstrate the firmness, vitality and advantages of the Soviet socialist system. Consumers' Co-operation is again on the up-grade, together with our whole national economy. All the conditions exist in our country for a further rapid rise in the well-being of the people.

The opposite is the case in capitalist countries where, after the war, industrial production was reduced and unemployment is increasing; economic crises are on the way, and the position of the working masses is deteriorating more and more. This is acknowledged even by the American monopolists, who assert that only the Marshall Plan can improve the position. We are not going to speak about the operation of the Marshall Plan, the effects of which are already clear. It is obviously going to be a means of fighting against the interests of the working classes and democracy. Nor are we going to speak about its aggressive, imperialistic nature, as a weapon for American expansion and preparation for a new war. By the artificial limitation of industry in the countries of Western Europe, the organisers of American Aid are proposing to dispose in Europe of more goods produced in the United States, and are trying to use the Marshall Plan as a means of averting the economic crisis in the United States.

**The President:** The Interpreter has already gone beyond that part of the original speech which the speaker was able to complete within the time at his disposal. I must therefore stop the interpretation, and I wish it to be clear that interpretations also will be limited to five minutes. Moreover, I cannot see that a great deal of what has been said so far has any relevance whatever to the Report before us. I ask speakers to deal with the Report, and to conclude at the end of five minutes.

**Mr. D. S. Timofeev, U.S.S.R., interpreted from Russian:** In spite of the gigantic devastation of our productive forces during the war, with the destruction of hundreds of towns and thousands of villages, and despite the great loss of manpower, the Soviet Union is going ahead rapidly, at a speed which would be impossible in capitalist countries, and is thus able to improve the well-being of the Soviet people. Since rationing was abolished and food and industrial goods were supplied to the population at firm prices, supplies have been constantly increasing. Soviet trade is developing on the basis of price reduction. According to the State Planning Committee, after the

reduction of state retail prices and of co-operative and collective farm prices, the purchasing power of the rouble in the first quarter of 1948 was increased by 41 per cent, and real wages by 51 per cent as compared with the first quarter of 1947. Four months after the rationing system was abolished, a second reduction of 10-20 per cent in state retail prices was introduced.

The reduction of co-operative prices stimulated a reduction of market prices generally, and thus Consumers' Co-operation plays an active part in the general struggle for the improvement of the well-being of the Soviet people.

**The President:** I must stop the interpreter and point out again that the speeches being made have nothing whatever to do with the Report of the Central Committee. There will not be a French translation of the last speech.

**Professor M. Casalini, Italy:** I rise to speak on the statement on page 17 of the Report that one of the foremost tasks of the I.C.A. to-day is "the promotion of the application of the Principles of Co-operation in all spheres of life as assuring a basis for economic and human progress." Is the I.C.A. the International of every kind of Co-operation, or only of Consumers' Co-operation? I ask the question, because in this Report Agricultural Co-operation is entirely forgotten. It is impossible to pass over in silence a Movement which interests millions of workers. I know that Agricultural Co-operation has not the glorious history of the Rochdale Pioneers, but it has the history of the Co-operative Dairies of the Province of Turin to which the poor mountain farmers delivered their milk in common; it also has the history of the Sicilian peasants who fought for possession of the land which the nobility would not cultivate, and cultivated it with their own hands because they had not the machines which the big landowners possessed. Those of you who have visited Italy will have admired the Co-operative Federations in Bologna, Milan and other places, and will probably have been greatly impressed by what has been done for the improvement of agricultural conditions. Agricultural Co-operation extends over the whole world. I well remember the beautiful co-operative dairies of Charentes and Poitou, those of Belgium, Holland and England. What have you done for Agricultural Co-operation? Nothing. Its importance from the economic as well as the moral, social and international point of view, must be taken into consideration. From the economic point of view agriculture cannot make progress without Co-operation; again, there can be no social and moral progress among the individualistic agricultural population without Co-operation. And what are you doing for the peoples of Eastern Europe, if you ignore Agricultural Co-operation?

Allow me to express my regret that nothing has been said in this Report about Agricultural Co-operation, and to submit the following motion: "The Congress—considering the importance of Agricultural Co-operation in every country of the world, especially those of Eastern Europe, and the value of the steady development of Agricultural Co-operation—asks the Central Committee to take an interest in Agricultural Co-operation in proportion to its economic, social and international importance, and to appoint a special Committee to study its problems."

I would like to conclude by recalling that I was at the International Co-operative Congress at Cremona when I was a young man of twenty. On

that occasion I spoke about Agricultural Co-operation; now that I am old I still have the same faith in Co-operation.

**Professor Edgard Milhaud, Switzerland:** If I intervene in the discussion at this stage, it is because a passage at the very beginning of the Central Committee's Report has aroused certain apprehensions which are shared by the entire Swiss delegation. We pay the most profound and cordial homage to the extraordinary work which Mr. Odhe has done in the United Nations Organisation in the past twelve months. His participation in a number of meetings has been remarkable, vigilant and efficient. But new circumstances have arisen which make the continuity of his action very difficult, and we ask whether the necessary dispositions have been made or foreseen to assure the necessary action on the part of the I.C.A. equal, if not superior, to that of the past. With two or three of my colleagues of the Swiss Co-operative Union I participated in the last session of the Economic and Social Council. We were struck by the extraordinary extent of the problems raised; leaving aside those of a moral, cultural and educational character, and considering only those of a strictly economic and social character, we realised that an enormous and quite unexpected field of activity had been opened to the Co-operative Movement. In an atmosphere of remarkable unanimity after discussing opposing points of view and ideologies, programmes of work were drawn up or developed for the Far East, Europe and Latin America, programmes which represent possibilities of economic reconstruction and truly remarkable expansion. Great forces will be put in motion, and unless the Co-operative Movement plays an effective part, they are more likely to be capitalist or purely State forces than forces representing the spirit and principles of our Movement.

Also, when we see in the Report that nothing more is contemplated in the near future than the issue of an appeal to the National Organisations in the various countries to appoint representatives, we ask ourselves whether by such a system of representation, i.e., mere physical presence, unity of political and economic doctrine, can be secured. With the support and, of course, the concurrence of the leading organs of the Alliance, we intervened on these two points in the meeting of the Council. We appealed to the interested National Organisations, mobilised all possible help, and with the help of Government representatives our intervention was effective.

An appropriate organisation must be visualised by the I.C.A., not only in Geneva but at Lake Success, in Latin America, in Asia and for the whole of Europe. By what means and methods of organisation, by the distribution of what kind of information, and by what organs, capable of acting in all parts of the world, does the Alliance expect to make the best use of the possibilities which are provided for in the Constitution of the United Nations, in order to realise in full the aims of our ideal, for which co-operators have been striving for a century? This is the problem which we submit, and we would like the responsible authorities of the Alliance to ask themselves, what are to be the central organs, what are to be the relations with the offices of the United Nations to be set up in London; what regional organs are to be created in different parts of the world for the full realisation of the co-operative ideal?

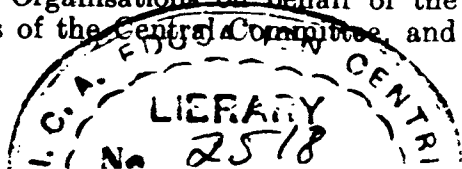
## The Organs of the I.C.A.

Mr. V. L. Lipovoy, U.S.S.R., interpreted from Russian: The Report of the Central Committee regarding the organs of the International Co-operative Alliance deals with the question of establishing the post of Director of the I.C.A. and of electing Miss Polley to the post of General Secretary. The Soviet delegation, having thoroughly studied this question, cannot agree with the inclusion in the Rules of an Article introducing the post of Director, who, according to the Report, "would be responsible for the external affairs of the I.C.A." At the meetings of the Executive and of the Central Committee which took place in Rome last May, the Soviet delegation protested against the establishment of the post of Director, basing themselves on the fact that this would be a bad infringement of the Rules sanctioned by the 15th Congress of the I.C.A. in 1937. Moreover, it would be in contradiction to the democratic principles on which the work of the Secretariat must be based. The functions of the Director, which are set out in Article 33 of the proposed Rules, do not differ, in our opinion, from the functions of the General Secretary. The Central Committee, however, did not agree with the objections of the Soviet delegation and appointed Mr. Odhe to the post of Director. Basing themselves on the above, the Soviet delegation recommend that the Congress should not confirm either the establishment of the post of Director or the amendments of the Rules, Article 33, concerning the duties of the Director and the General Secretary.

As to the work of Miss Polley, the present General Secretary of the Secretariat, the Soviet delegation have already criticised the unsatisfactory work of the Secretariat at the meetings in Rome. The delegates to the 17th Congress ought to condemn the activities of the Secretariat for its arbitrariness in carrying on its work, and for drawing up and sending out the Agendas for the meetings without the approval of the members of the Executive. The Soviet delegation has a legal right to ask Miss Polley why the documents for the meetings of the leading organs of the International Co-operative Alliance and for this 17th Congress were not received by "Centrosyus" in due time. Co-operators throughout the world know very little about the work of the I.C.A. Executive. We are of the opinion that the Secretariat of the I.C.A. intentionally does not bring home to the millions of rank-and-file co-operators the decisions made by the Executive and by the Central Committee of the I.C.A. That is a great drawback in the work of the Secretariat. Even after the last meetings of the Executive and of the Central Committee, when Lord Rusholme and Miss Polley promised that the work of the Secretariat would be improved this work has remained far from satisfactory. Moreover, we can cite examples of where the Secretariat has used dictatorial methods. It sent invitations to the 17th Congress addressed to the National Co-operative Organisations on behalf of the Central Committee. For instance, in their circular letter dated June 15th, 1948, Mr. Odhe and Miss Polley wrote: "We have the honour to invite you, on behalf of the Central Committee of the I.C.A., to take part in the 17th Co-operative Congress, which is to be held in Prague from the 27th to 30th September, 1948, and are sending you the Agenda of the Congress." We should like to ask Mr. Odhe and Miss Polley who gave them the right to send such a letter to the National Co-operative Organisations on behalf of the Central Committee. They are not members of the Central Committee, and

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their action was, therefore, a bad violation of the Rules of the I.C.A. That is why the Soviet delegation cannot support the nomination of Miss Polley to the post of General Secretary of the I.C.A., and calls on the delegates to the Congress to associate themselves with this suggestion of the Soviet delegation. The Soviet co-operative delegation considers it necessary that amendments be made to the present Rules, for the establishment of a General Bureau alongside the present organs of the I.C.A. This Bureau should consist of the President, three Vice-Presidents and the General Secretary, and would direct all the activities of the Alliance during the intervals between the meetings of the Executive.

**Mr. J. Zerkowski**, Poland, interpreted from Polish: The Polish Co-operative Movement has been a member of the International Co-operative Alliance for many years. It has always collaborated loyally with the Alliance and will continue to do so. We know the difficulties which confront the Co-operative Movement at the present time, but quite objectively we must state that the International Co-operative Alliance has done very little to overcome these difficulties, that its work does not correspond with the interests of the World Co-operative Movement, nor keep pace with the progress in the social and economic life. The principal aim of Co-operation is to defend the interests of the toiling masses against capitalism. At the present time, international big business, or rather American big business, is the driving force behind all the preparations for a new war, contrary to the interests of the people. In certain countries war has already broken out, and if this incendiary fire is not put out it may well become the starting point of a world conflagration. In face of such an eventuality, the International Co-operative Movement, in conjunction with the political and trade union movements of the toiling masses, must put all its energies to fight the ignoble fomentors of war in order to come back to its principal aim: the fight for a democratic and stable peace.

At the present moment when energetic action is imperative, we can see no action whatever on the part of the I.C.A. in the defence of peace. The majority of the members of the Executive persist in the hypocritical conception of neutrality. Sheltering behind the Rules, passively resisting all tendencies for the defence of peace, the Executive, in fact, supports imperialism and the big American capitalists. Proof of this attitude we find in the policy of discrimination directed against the co-operators of the popular democratic and socialist countries, whose representation in the Alliance does not correspond to their importance. The organisations of these countries comprise more than half the co-operators of the world, yet, of the eleven members constituting the Executive, ten represent the Co-operative Movements of capitalist—not very progressive—countries, whilst the U.S.S.R. has only one representative, and the other popular democratic countries none at all. That is a proportion of ten to one. In the Central Committee the numerical proportion of the two groups of countries is five to two due, among other things, to the capitalistic conception of the constitution of the I.C.A. Such a position cannot be allowed to continue. We demand that the Co-operative Movements of the popular democratic and socialist countries shall in future be represented in proportion to their importance, their strength and development which are greater than those of the Movements of the capitalist countries.



Another proof of the attitude taken by the majority of the organs of the I.C.A. can be found in the discrimination against the German Co-operative Movement in the Soviet zone of occupation.

I must also deal with the activities of the various organs of the I.C.A. The apathy of the Presidium is so great that collective work, which is very necessary and important in the Co-operative Movement, is wanting. This want of spirit of collaboration shows itself especially in the attitude towards the members of the Central Committee, who receive only very incomplete documentation. The distribution of material, even during the meetings of the Committee, makes a discussion and control of the work of the Presidium practically impossible. The Report of the Proceedings of the Zurich Congress was published and sent out with a delay which cannot be justified. I would also add, that the preparation of the present Congress by the Secretariat of the I.C.A. was very inadequate.

One of the main tasks of the I.C.A. is to direct education and propaganda within the Co-operative Movement, but I am forced to say that this activity does not correspond to the needs and interests of the masses organised in the Co-operative Societies of the world. The publications of the Alliance express the ideological anachronisms of the 19th century, when the Co-operative Movement was only taking its first steps in history. They do not even take into account the great changes in social and economic life: they reflect neither the needs nor the concrete activity of Co-operation in most countries; they neglect almost completely the problems of Co-operation, as directed from the Marxist point of view in the popular democratic countries, although these problems really interest the majority of co-operators in all parts of the world. Co-operation in these countries distinguishes itself by its great vitality and dynamic development; it plays a new rôle in the national economy, a rôle which could not have been foreseen by the theorists of Co-operation in its early days. The experience and results of Co-operation in the popular democratic countries can show the way to Societies in the capitalist countries, which work in a capitalist atmosphere and fight against oppression by big financial and industrial capitalists. One can see that the publications of the I.C.A., even the papers submitted to this Congress, are influenced by a capitalist milieu.

The International Co-operative School, this important educational instrument, instead of teaching young co-operators all the forms of world co-operation, is directed very partially, and deals almost exclusively with the problems of Co-operation in capitalist countries. The lectures express only the ideas and theories of integral Co-operation. The vital problems of Co-operation in the popular democratic countries and its positive achievements are neglected. The outlook of young co-operators, students at the School, is artificially narrowed; they are badly and insufficiently prepared for co-operative work in defence of the interests of the working masses, who constitute the great majority of the Co-operative Movement's membership.

I have not time to enter more fully into the activities of the other organisations in membership with the I.C.A., such as the International Co-operative Trading Agency, the Banking Sub-Committee, but it can be said that they have shown practically no activity and that the responsibility for this can be attributed to the passivity of the majority of the leaders of the I.C.A.

We can neither see nor feel the efforts which the Alliance is making to fulfil its principal tasks; the fight for the betterment of the economic conditions of the working masses, for a stable and lasting peace in close collaboration with the World Federation of Trade Unions, the fight for the unity of the Co-operative Movement in the individual countries as well as internationally. The activity of the I.C.A. follows the beaten tracks of conservatism which lead to a lowering of the rôle and importance of Co-operation and to a negation of the real objects which draw the working masses to Co-operation. The I.C.A. needs a new spirit, in other words, the spirit of progress; it must at last manifest its participation in the fight for peace and democracy.

### **Membership of the I.C.A.**

**Mr. G. A. Nellis, U.S.S.R.,** interpreted from Russian: It is said in the Report of the Central Committees that great changes have taken place since the 16th Congress in the membership of the Alliance. Having thoroughly studied this section of the Report the Soviet delegates think it necessary to point out that, alongside the admittance of progressive National Co-operative Organisations such as the Bulgarian Central Co-operative Union, the Rumanian Co-operative Institute, and so on, such organisation as the Pan-Hellenic Confederation of Unions of Agricultural Co-operative Societies and the Hamburg Co-operative Wholesale Society, which in our opinion should not be members of the International Co-operative Alliance, were also admitted. The Pan-Hellenic Confederation of Unions of Agricultural Co-operative Societies, as can be seen from its declaration, has a tendency to expand as regards the neighbouring democratic countries, Bulgaria and Albania, which is a menace to universal peace, safety and international co-operative unity. The Central Committee of the I.C.A., having admitted the Hamburg Co-operative Wholesale Society of the British zone in Germany to membership, has contributed to the breaking up of the unity of the German Co-operative Movement, inasmuch as the Hamburg Co-operative Wholesale Society does not represent the whole German Co-operative Movement. It has become known to us that the German co-operators in the Soviet zone, representing a powerful unit of the German Co-operative Movement; with 1,859,000 members, have categorically protested against this decision of the Central Committee of the I.C.A., and against the efforts of the Hamburg Co-operative Wholesale Society to appropriate arbitrarily the rôle of representing the whole German Co-operative Movement. That is why the 17th Congress should condemn these actions of the Central Committee, which tend to deteriorate the work of the Alliance and do not contribute to strengthening the unity of the International Co-operative Movement or to the struggle of co-operators in all countries to improve the economic conditions of the working people.

The Soviet delegation also consider it necessary to point out that the Central Committee have not done sufficient work to attract new national co-operative organisations into membership of the I.C.A. We cannot agree with the fact that up to now, due to formal causes, such organisations as the Ukrainian, Byelorussian, Latvian, Lithuanian and Estonian Consumers' Co-operative Unions have not been admitted in the capacity of independent

members. The 16th Congress entrusted the Central Committee with the duty of examining the applications of these Co-operative Organisations. The Executive, however, and first of all Lord Busholme, objected to the admission of these Unions on the ground that they were not independent, but were 'subordinated' to Centrosoyus. Mr. Khokhlov, President of the Board of Centrosoyus, clearly stated the Soviet point of view on this question at the meeting of the I.C.A. Executive which took place in January, 1947, at Brussels. He pointed out that the Ukrainian, Byelorussian, Latvian, Lithuanian and Estonian Republics have their own Ministries of Foreign Affairs and armed forces, and have entered the international stage in the capacity of independent states. The Ukrainian and Byelorussian Republics are members of the United Nations and act as independent states. Taking this into consideration, the aim of the Co-operative Unions in these Republics to enter the international stage and to join the International Co-operative Movement in the capacity of independent members of the Alliance is quite normal. These Republics think that, at the present time, it is not sufficient for them to be represented through the medium of Centrosoyus, and there are no legal reasons to prevent their admittance. Centrosoyus is not only the All-Union co-operative centre but also and simultaneously the co-operative centre of the R.S.F.S.R. and the largest Co-operative Wholesale Organisation. Having considerable financial resources, it is extending assistance to the Organisations requiring help without asking for any interest. From this it will be seen that the Unions to which I have referred are closely linked, on economic grounds, with the wholesale association of Centrosoyus and make use of its services.

Early in 1948, Congresses of Co-operative Organisations were held in these Republics. These Congresses discussed or approved the reports which were submitted, and elected by secret ballot the new Boards of the Unions and new Councils; they also discussed and approved new rules. What better proof of the independence of these Organisations could be needed by the members of the Executive? What other criteria of their independence would the members of the Executive find convincing? It should also be noted that the rules of Centrosoyus, approved by the All-Union Congress of the Consumers' Co-operative Movement in May, 1948, provide that Republican Consumers' Co-operative Unions, which are independent from an organisational, economic and financial point of view, shall have the right to be independent members of international co-operative organisations. For these reasons, the Soviet delegation insist on the Ukrainian, Byelorussian, Latvian, Lithuanian, and Estonian Consumers' Co-operative Unions being admitted to membership of the International Co-operative Alliance in the capacity of independent members. The new Central Committee must pay more attention to the enrolment of progressive National Co-operative Organisations into membership, especially in dependent and colonial countries, and to promoting the development and strengthening of the Co-operative Movement in countries which are backward from the economic and social points of view.

**Mr. D. Kuszewski, Poland, interpreted from Polish:** The Polish delegation expresses its great surprise and deep anxiety at the new line of policy adopted by the Executive of the I.C.A. concerning the admission of new members.

As has been mentioned by the Soviet delegate, some applications for membership have been rejected, among them applications from the Union of Ukrainian Co-operative Societies and the Union of Byelorussian Co-operative Societies. The reason given was the alleged dependence of these Unions on Centrosoyus. It should be realised that Centrosoyus is in reality primarily the National Union of the R.S.F.S.R., and so far as the other National Unions are concerned acts only as a co-ordinating and business auxiliary body. Secondly, the I.C.A. accepts both individual members and collective members. Thirdly, the Ukrainian Republic and the Byelorussian Republic are internationally recognised as States which are fully entitled to independent representation of their needs and interests in the field of international relations. No one excludes the possibility of the membership of a greater number of Co-operative Unions from one state. Besides the Co-operative Union of Great Britain, membership of the I.C.A. has been granted to some hundreds of separate organisations, including the English C.W.S. and the Scottish C.W.S., although Scotland is not entitled to independent representation in the international field.

In view of these facts and precedents there were no reasons, not even formal ones, for the refusal to accept the Unions of the Ukraine and Byelorussia as members of the I.C.A. No hindrances were put in the way of the Greek Confederation, in spite of its tendencies, which are dangerous for peace and for the unity of the Co-operative Movement. The Co-operative Wholesale Organisation of Hamburg, which is only a regional organisation, has also been admitted, in spite of the protests of some of the big Co-operative Movements of other countries. On this occasion, the leaders of the I.C.A. did not follow the suggestions of enquiring into the whole programme of the German Organisation, and did not ask other Co-operative Organisations in Germany for their opinion.

These facts indicate, in the opinion of the Polish delegation, a dangerous departure from the rules which should characterise voluntary organisations in our world movement. Such a departure is dangerous for the future of the I.C.A., for its growth and successful work, and for the respect and confidence which it should inspire among all the Co-operative Movements of the world. The Standing Orders regarding the time allowed for speeches do not permit me to discuss the whole problem, so I must limit what I have to say to the case of the Hamburg Co-operative Organisation. It is the view of the Polish delegation that the acceptance into membership of this organisation should be withdrawn, for the following reasons: first of all, Germany is under military occupation and is temporarily divided into zones of occupation, although it forms one national unit; secondly, the Hamburg organisation is only a single-zone organisation and represents only about one-quarter of the Germans who are organised in Consumers' Co-operatives. Thirdly, while the occupation lasts only an institution having the character of a central co-operative organisation embracing the whole country should join the I.C.A. Such an organisation does not as yet exist in Germany. Fourthly, the question of the unity or division of Germany is the theme of a political controversy. The affiliation of the Hamburg organisation must be understood by all co-operators as a proof that the governing body of the I.C.A. supports the division of Germany. For the I.C.A., all co-operators should be equal. and it would

be a contradiction of that rule to grant our support to only about one-quarter of the German co-operators. We cannot adopt a negative attitude towards the German Co-operative Movement. On the other hand, we should not forget that under the Hitler régime many German co-operators supported and served the German Government. Respect for the ideological purity of the I.C.A. and for a sound internal atmosphere does not permit the admittance of co-operatives from areas where de-nazification has not been carried out in a thorough manner. Polish co-operators, and probably not they alone, do not forget the hostile attitude towards the Co-operative Movement of the German occupation authorities. It would be unbearable for us to have to sit in the near future beside our oppressors of yesterday.

For all these reasons, I propose on behalf of the Polish delegation that the decision of the Executive Committee concerning the acceptance of the Hamburg Wholesale Society be cancelled. The motion which I have to propose reads: "The 17th Congress of the International Co-operative Alliance cancels the decision of the Executive and of the Central Committee concerning the admission to the I.C.A. of the Hamburg Co-operative Wholesale Society (G.E.G.). The Congress advises the new Executive and the new Central Committee of the I.C.A. to take all possible steps towards the unification of the German Co-operative Movement and towards the creation of a national central organisation embracing the co-operatives of all the zones of occupation in Germany."

**Close of the Second Session.**

### THIRD SESSION.

Tuesday, 28th September.

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## Discussion on the Report of the Central Committee (*continued*).

### Membership of the I.C.A. (*continued*).

**Dr. P. Kunc**, Czechoslovakia, interpreted from Czech: My intervention has reference to the admission to membership of the Wholesale Society of German Consumers' Societies, Hamburg. In the Report on the Activities of the I.C.A. it says that the Hamburg Wholesale Society was admitted to membership of the Alliance at the meeting of the Central Committee at Rome in May, 1948. The I.C.A. is the first International Organisation to admit a German Society to membership before the problem of Germany is settled by a Peace Conference within the framework of the United Nations. But this is not all. The I.C.A. has admitted an Organisation whose activity extends only over a part of Germany. This is important, both from the political and economic point of view. In the circumstances, the I.C.A. has made a serious mistake, which can be interpreted as support of the war-mongers and imperialists, who do not wish a united, de-nazified and democratic German nation. The Alliance has given its support to the efforts of the war-mongers and imperialists who, by the division of Germany, hope to realise their war and political aims.

The I.C.A., which adopts peace resolutions at its Congresses and emphasises the need for peace in its yearly Manifestos for International Co-operative Day should, in the present instance, have shown itself a defender of peace by refusing to admit to membership an Organisation which represents only part of Germany. It should have devoted all its efforts to bring into membership a Co-operative Movement extending over the whole of Germany. Progressive forces all over the world are fighting for the realisation of the Potsdam Agreement, which aims at the establishment of a democratic German State which will not be an instrument of imperialist aggression and which as a peace-loving state will offer guarantees never to menace its neighbours, especially the Slav countries. The I.C.A. must safeguard the peace of the world and bring about an entente for the democratisation and denazification of the German nation. A united Germany can be a guarantee for peace, whilst a divided Germany may constitute a danger to peace and bring about a new war. By the admission of the Hamburg Wholesale Society to membership, the I.C.A. joins the ranks of those who do not want a united Germany and a united German nation. We do not like to think that the I.C.A. has given up the idea of fighting for peace.

Membership of the I.C.A. must be granted only to the entire German Movement, but especially the Movement in the Soviet zone, because, as is stated in the Central Committee's Report, the Movement in that zone is more developed than in the other zones. In the Soviet zone, the property

of the Consumers' Societies which was confiscated by the nazis, was returned to them as early as 1945. In the British Zone it was not restored till 1947. It is seen from the Central Committee's Report that Co-operation in the Soviet zone is developing constantly, and for this reason it is wrong to admit the Hamburg Society to membership without at the same time admitting the Co-operative Organisations in the Soviet zone.

On behalf of the Czechoslovak delegation I propose that the decision of the Central Committee to admit the Hamburg Wholesale Society to membership be annulled, and be substituted by the following resolution: "The Central Committee is asked to convene, as soon as possible but not later than October, 1948, a meeting of representatives of the German Co-operative Movement of all four zones to discuss the question of the representation of the whole German Co-operative Movement in the I.C.A."

In carrying out this decision, the I.C.A. will promote the establishment of a lasting peace, which is necessary to all the nations of the world, and will thereby join the ranks of those who desire and work for peace. The World Co-operative Movement wants a just and lasting peace and, therefore, its highest representative in international affairs, the International Co-operative Alliance, must spare no efforts towards the establishment of peace.

In the introduction to the Report of the Central Committee it is said: "The world situation, social, economic and political, has greatly worsened during the two years since the I.C.A. Congress last met, and the passionate hopes and longings for the restoration of peace remain unfulfilled." As regards the German Co-operative Movement, the Alliance must make a decision which will exercise a favourable influence on the establishment of a just and lasting peace. By so doing it will contribute to the establishment of peace, which is the ultimate aim of the World Co-operative Movement.

### The Committees of the I.C.A.

Mr. J. Nepomucky, Czechoslovakia, interpreted from Czech: In the Report of the Central Committee it is stated that one of the most important tasks of the Alliance must be the extension of the Co-operative Movement in economic life, nationally and internationally. At the last Congress, held two years ago in Zurich, it was agreed that this was one of the most important tasks, and the Central Committee appointed a Sub-Committee to prepare a programme of work for this Congress, one part of which was to deal with Agricultural Co-operation and its relation to other forms of Co-operation. Having studied the present Report, I am sorry to say that I do not understand why this Sub-Committee, which had such an important task to carry out, has not been able to fulfil it in the two years which have elapsed.

Our country, where co-operation in all its forms is developing successfully, is a proof that such collaboration is possible. For our workers, in both town and country, the idea of co-operation is not the final goal; with us, co-operation in all its types and forms, united in the Central Co-operative Council, is linked in all the sectors of production and distribution to the construction of our popular democratic republic on socialist lines. In my view, the I.C.A. has the duty to make itself an organisation for the agriculturists of all countries, a centre which should be important enough to play a decisive rôle in all questions concerning the reconstruction of the economic and social

order. We hope that after this Congress not only a Sub-Committee but the Central Committee and the Secretariat of the Alliance will set to work on this problem, so that at the next Congress we shall have not only reports on activity but the concrete results of this activity.

At the meeting of the Central Committee on Sunday last I drew the attention of the members to the importance of this question, and formulated the two following proposals: (1) That during this Congress a conference of delegates from Agricultural Co-operative Societies be convened, so that the 17th Congress may initiate a new policy for the Alliance in the field of Agricultural Co-operation. (2) That the new Central Committee of the I.C.A. should set up a permanent Agricultural Sub-Committee, which should deal with all questions of agricultural production, policy and co-operation, and help to co-ordinate the activities of Agricultural and Non-Agricultural Co-operatives.

**Mr. G. Cerreti, Italy:** The Co-operators of the Lega Nazionale delle Cooperative welcomed with enthusiasm the idea of an International Co-operative Press Agency, proposed by Mr. Barbier at the 16th Congress of the I.C.A., but they have followed with great regret the slow progress made towards its realisation. In this respect they have had painful experiences, for Italians know what it means to have or not to have the possibility of enlightening people about world affairs by means of an independent news agency. Twenty years of dictatorship and their false conclusions have taught us the importance of a free press and an impartial news agency based on the spirit of universal brotherhood which is the spirit of Co-operation. Barriers of ignorance between peoples are far more dangerous than customs barriers, and the news agency which we desire would tend to remove these barriers.

The Lega submits three fundamental propositions: 1. It is ready to place at the disposal of an International Co-operative Press Agency the means which it possesses from the point of view of information, and the dissemination of ideas; 2. it expresses the hope that the time, which has unfortunately been wasted, will be made good; International Co-operation has almost inexhaustible forces at its disposal and, if it so desires, can make of this idea a living thing for the good of mankind; 3. the Lega is convinced that the activity of this Agency must be so extended as to comprise all means of propaganda and dissemination of ideas. Thanks to our Czechoslovak colleagues, to whom our gratitude and admiration are due for their generous hospitality, we have seen what can be achieved by means of the cinema; the same applies to the radio and other modern technical inventions.

When this Agency has been created, we shall be able to say that we have won a new battle against capitalism and against all the forces which obscure and mislead the mind. Co-operation has moral and spiritual power as well as economic; it has at its disposal moral and spiritual forces; and it must help in every country to give the working classes freedom from want and, still more, freedom from fear and ignorance.

**Mr. Shih-Chi Hu, China:** In the opinion of the Chinese delegates, the establishment of an International Co-operative Bank is a matter of paramount importance. Such a bank would improve the national economy and enlarge international co-operative trade, and would provide a firm foundation



for the International Co-operative Movement as a whole. In our country, in November 1946, we established the Central Co-operative Bank of China, which since its foundation has provided credits to numerous Rural Co-operatives. It now has more than thirty branches scattered over the country. It is the sincere hope of the Chinese delegation that the International Co-operative Banking Committee will be able to carry out its programme during the next three years, or in other words before the next Congress meets, by which time we hope that the foundations for the establishment of an International Bank will be laid. Perhaps it is not appropriate for me to suggest that China, which has one of the largest Co-operative Movements, should be a member of the Committee.

### The Finances of the I.C.A.

**Mr. G. A. Bokov**, U.S.S.R., interpreted from Russian: The Soviet co-operators annually pay their membership fees to the I.C.A., amounting to about £5,000. As representatives of the Soviet co-operators, we should like to know how the Central Committee of the Alliance has spent the fees paid by the co-operators of all countries during the period under review. The very brief balance sheet which the delegates have received gives very little information about the finances of the I.C.A., so that it is difficult to judge the expediency and efficiency of this expenditure. It is difficult, therefore, for the delegates to approve the financial report, and all the more so because the financial activity of the I.C.A. has not been checked by persons authorised to do so by the Congress. At the end of the balance sheet it is revealed that the accounts have been examined by F. C. Loughborough, "Public Auditor under the Friendly and Industrial and Provident Societies Act," but who authorised Mr. Loughborough to check the finances of the I.C.A.? The delegates to the Congress do not know anything about it; they only know that the Congress did not authorise him to audit the accounts of the I.C.A.

We have no reason for saying that the funds of the I.C.A. have been wrongly spent, but the present order of the expenditure is not ideal. Co-operators all over the world know that the financial side of the activities of Co-operative Organisations is of great importance and attracts great interest on the part of members of Co-operative Societies. This is equally true of the activities of the Alliance, so that the I.C.A. in future must pay more attention to financial questions, to the collection of subscriptions and their efficient expenditure. It is essential to set up a special body for the purpose of more fully applying the democratic principle of the participation of the membership of the Alliance in the control over finance. With a view to improving the control over the money which is at the disposal of the I.C.A., the Soviet delegation proposes that an Auditing Commission should be elected and a new Article 35 added to the existing Rules as follows: "An Auditing Commission shall be elected by the Congress of the I.C.A., to consist of a Chairman, a Deputy Chairman and a member of the Commission. The Auditing Commission will be charged with the systematic control of the accounts of the I.C.A., and will submit an account of its activities to the Congress and to the Central Committee of the I.C.A."

There is an old saying that an honest transaction requires no concealment, and we think that the Central Committee of the Alliance has no reason for not publishing the figures on both the income and expenditure side of

the budget. The Soviet co-operators would like to know whether all the National Co-operative Organisations have liquidated the amount that they owe in respect of fees, and what steps the I.C.A. has taken to make the American Co-operative Movement pay its fees for the past two years, and thus fulfil the elementary requirements of the Alliance. We hope that the President will answer these questions.

**Mr. Ch.-H. Barbier**, Switzerland: I wish to say a few words on the financial position of the I.C.A. In spite of the increase in the rate of subscriptions, the income of the Alliance, amounting to £21,000 a year, is ridiculously small and, in our opinion, quite insufficient for its tasks. Let us note, for example, that the budget of the Alliance amounts to about one-fifth of what the Union of Swiss Consumers' Societies devotes annually to its propaganda department. Yet the tasks of the I.C.A. are not on the scale of those of a small National Movement; their scale is worldwide. If one considers the extent of these tasks, especially those emphasized yesterday by Professor Milhaud, it can be definitely stated that the income of the I.C.A. is below the vital minimum. We, therefore, ask the Executive to examine, in conjunction with the Secretariat, the possibilities of assuring the I.C.A. a budget corresponding to its tasks. There are many means which can be envisaged, and the Executive should not only consider raising the subscriptions paid by the affiliated Organisations. If the I.C.A. had confidence in the great mass of co-operators, it would require little imagination to find ways of drawing from this mass, comprised for the most part of people of humble circumstances, such riches as would eventually enable it to change the face of the world.

**Mr. W. Serwy**, Belgium: I, too, wish to speak on the question of finance. Since the International Co-operative Conference in London in 1945, the tasks of the I.C.A. have steadily increased, and we can be pleased with this resumption of activity. Some of the tasks are in course of fulfilment. Others have not yet been taken in hand. They are of two kinds: Internal tasks, for instance, to strengthen relations with its affiliated Organisations; further applications for membership from all types of Co-operative Organisations; create and foster the spirit of Co-operation in undeveloped or insufficiently developed countries; animate the Henry J. May Foundation, Centre for the Study of International Co-operation; develop publications, propaganda and economic research. External tasks, the most important of which is active participation in the work of the United Nations and other international institutions, pursuing similar aims to those of the I.C.A.

If it is to accomplish these tasks and play a real part in world affairs—social and economic—the Alliance must have men and money. The men will be found and chosen according to their abilities, but we shall demand from them a high standard in the discharge of their duties, and this implies corresponding remuneration. Offices also must be found which will be conducive to work and worthy of an international organisation.

The financial problem of the Alliance must be studied with the firm determination to place at its disposal the necessary funds for carrying out the tasks entrusted to it by Congress. It is true, the financial position is improving; subscriptions are higher and are paid more regularly by the members; the budget balances and leaves a small safety margin. But how far do the funds suffice for carrying out the decisions of Congress? This is not

the place to discuss this problem, but Congress should ask the competent authorities of the I.C.A. to study the question and to revise the subscriptions with a view, firstly, to meet its financial needs according to the tasks which it must carry out; secondly, to encourage applications for membership from all kinds of Co-operative Organisations, and to fix their subscriptions according to their character, income and economic situation. Whether it be a question of Primary Societies and their members, or of Unions and Wholesale Societies and their member-Societies, or of the I.C.A. and its affiliated National Organisations, the question of finance, however thorny, must be settled.

Each one of us bears a certain amount of responsibility by the decisions which he supports. The financial problem must be faced with courage and perseverance; the Alliance must be supplied with the funds which it needs. The men will be found to carry out the tasks which you decide and your resolutions will not remain sterile.

### **Publications.**

This section of the Report was passed without comment.

### **Henry J. May Foundation.**

#### **Centre for the Study of International Co-operation.**

**Mr. Ch.-H. Barbier**, Switzerland: We consider the Henry J. May Foundation an extremely useful realisation for the World Co-operative Movement, but it must have a sufficiently general and permanent character if it is to fulfil the educational tasks which devolve upon it. The principal task is to train the new men who are needed in the new world, but who are not, I fear, yet available in sufficiently large numbers. We would suggest that the Executive should examine the possibilities of making contact with the organisations and individuals who pursue similar aims to our own. I have in mind the School for Democracy which is to be established in London; also of contacts with UNESCO which is directly interested in such questions.

I also wish to speak about the 18th International Co-operative School, and particularly to the criticisms of our Polish friend, Mr. Zerkowski. I regret to say that his description of the School was neither objective nor just, and I am certain that if he had himself been present he would not have spoken as he did. There are present here about thirty of the students, and I doubt very much whether a single one of them would support Mr. Zerkowski in saying that the leadership of the School was not impartial; that the programme was drawn up on partisan lines; that the lectures expounded only the theories of integral Co-operation; that the vital problems and achievements of Co-operation in the popular democratic countries were neglected; that the outlook of young co-operators was artificially restricted. Such allegations to me are very serious, and are characteristic of an atmosphere which should not prevail amongst us.

At the School we really had the desire to take the bull by the horns; we avoided none of the problems of to-day; we looked for difficulties, and gave each student the opportunity to express his views. Instead of seeking

easy and artificial solutions, we tried to put first the fundamental causes of the present difficulties of the Co-operative Movement, not in any particular type of organisation or in any particular type of country. I can definitely state that the School achieved some very remarkable results. All who took part, and they included representatives of every tendency, were like true brothers and sisters in Co-operation. We worked in an atmosphere which convinced us, at the close of the School, that if, instead of coming directly from our respective countries to a Congress like this, we had the opportunity to discuss beforehand our own problems and difficulties with co-operators of other countries, as we did at Jiloviste, we should be much nearer to finding solutions.

We have in our Movement a solid, common basis. We are the only force capable of re-organising the world. I wish we could all feel that and could bring to our discussions the necessary objectivity and good-will, so that we might achieve positive instead of only negative results. This is not said with reference only to Mr. Zerkowski; I am sure that he did not speak in bad faith, and I regret that he was not better informed upon the work of our recent School.

**Mr. M. Pupeschi, Italy:** Never before in history has the development of Co-operation throughout the world needed more leaders than to-day in order to make good the losses caused by fascism and war, and the training of new leaders must be the principal aim of the International Co-operative School. The present world economic and political situation demands new methods and new ideas in the training of these leaders, a fact which was not realised at the recent International Co-operative School. On the one hand, the difficulties of to-day necessitate a return to the spirit of the Rochdale Pioneers, the will to fight against social injustice, and the determination to organise the workers of the whole world for this fight. On the other hand, we must fight for peace and must unite so that Co-operation may constitute a mighty force for peace among the peoples.

The International Co-operative School must resist the tendency to deal only with theoretical questions; it must bring the young co-operators into real contact with co-operative experience. It would, therefore, be a good thing if the School were held where the fight is hardest, but at the same time more glorious, in other words, where the Co-operative Movement has been reborn, as for example in Italy. The School should also impart a more profound knowledge, and give the students direct experience, of the development of Co-operation in countries where great social transformations are in full development. Every member of the I.C.A. should send students to the School, and sufficient time should be allowed for a free exchange of views. To promote this new spirit it would be useful to entrust the organisation and administration of the School to young co-operative students.

We have followed with great interest the intervention of the I.C.A. with the occupation authorities in Germany in order to overcome the juridical and administrative difficulties with which the German Co-operative Movement has to contend. We have followed, especially, its successful intervention in favour of the restitution of properties confiscated by the nazis. The position has been regulated in the British zone; in the Soviet zone it was regulated in 1945. But, as we read in the Report of the Central Committee, no steps have yet been taken to solve the problem of the heavy losses

which the old and glorious Italian Co-operative Movement suffered from fascist violence, and which amounted to approximately \$180 million. Up to the present, the Government has done nothing to render justice to our Movement and to return to the workers the resources which, by their savings and sacrifices, had been used in building up the Movement. In Italy there are too many capitalist and political interests which are opposed to a just solution of this problem of the restoration of fascist expropriations. That is why it is extremely important that the International Co-operative Alliance should support, with all the means at its disposal, the fight carried on by the Italian Co-operators, so that this problem, which is of great importance to the International Co-operative Movement, may be solved by international solidarity. The Italian Co-operative Movement, resuscitated by the will of the Italian workers, cannot tolerate that the capitalists of our country should continue to enjoy the property of the workers and peasants which was stolen from them by violence under fascism.

### International Co-operative Day.

**Professor H. L. Kaji, India:** The importance of International Co-operative Day cannot be exaggerated. Co-operation is a brotherhood, and it is very desirable, almost essential, that co-operators should have this one festival in the year when they can celebrate this great Movement to which they have pledged their faith. The importance of this Day, therefore, is very great indeed. The Central Committee have tried to find the most appropriate date for its celebration, but they have been unable to arrive at a unanimous conclusion. Hitherto, the first Saturday in July has been International Co-operative Day. I do not know the reason for the selection of this particular date; but it seems to me that custom justifies it and inertia maintains it, for there is nothing about the first Saturday in July which makes it particularly appropriate for this festival.

Developments are taking place all over the world; co-operation is not now confined to Europe, but is world-wide. When it is summer in Europe it is winter in Australia and New Zealand. While September would suit some countries, from the point of view of the harvest, in India it is a moon-  
soon month and the agriculturist would not be able to participate in celebrations at that time. At the present time in India we observe International Co-operative Day on the first Sunday in November, when the agriculturist is free from his agricultural operations during the rainy season and is beginning to devote himself to the second cycle of the agricultural year, the winter harvest.

If it would be possible to obtain unity, I would agree to a day in October, but when the northern and southern hemispheres are taken together no unity is possible in the midst of diversity. I hope that the Executive will consider the question again and see whether each National Organisation cannot be allowed to select the most suitable date for the celebration of this festival, which is a very important one, because it brings home forcibly the solidarity of co-operators all over the world. This is a Movement of the greatest importance, to which we pin our faith for peace and for the solidarity of the peoples of the world.

**Dr. M. Bonow, Sweden:** In accordance with Standing Orders, I move "That the question be now put."

**The President:** Dr. Bonow, of Sweden, has moved that the question be now put, which means that the discussion on the Report be concluded. I take it that he has done so in view of the fact that the Agenda provides for the conclusion of the discussion on the Report this morning. Is the motion seconded?

Several delegates seconded the motion.

**The President:** The Standing Orders provide that if the closure is seconded the President shall put it to the vote. I will ask the Tellers to take their places.

After the count,

**The President** announced the voting as follows:—For the motion 415, against 445. The motion is therefore lost, he said, and we will proceed with the discussion.

**Mr. H. Taylor, Great Britain:** The records of past Congresses reveal the determination, born in 1921, to celebrate International Co-operative Day the world over. After the first world war the peoples were war-weary, and it was felt that there was something that co-operators could do to demonstrate the power of the International Co-operative Alliance. During subsequent years, many celebrations and demonstrations were held, and even in the dark days between 1940 and 1945 many Societies in Britain continued their demonstrations. The report shows the efforts which have been made by the Central Committee and the Secretariat to keep International Co-operative Day alive in all countries. There is always a disposition at every Congress to suggest that either the Central Committee or the Secretariat is at fault, but here is something which all of us can and must do in our respective countries. There may be differences of opinion and convenience as regards a particular date, but on the question of principle, the holding of a demonstration, surely there can be no disagreement. We would like to know the reason for the lukewarm attitude on the part of some Movements in the Alliance. Is it that we do not all firmly believe in the power of Co-operation? Is it that we have lost some of the virility of past years? Whatever the reason, we are all conscious that unless Co-operation is universally practised the whole planet is doomed. One may ask what is the value of the demonstration. Well, as we have witnessed in Prague, and as we saw two years ago in Zurich, there is a power in symbolism, and everyone seizes upon that in these days. Even the most materialistic sceptic now living believes in the power of demonstration and in the value of symbolism. What does International Co-operative Day symbolise? It symbolises the undying unity of co-operators and their faith in the principles of Voluntary Co-operation. Mutual aid and co-operation are the only principles that are likely to assist humanity. Our hope lies not in coercion but in voluntary co-operation, not in conflict but in working together in harmony. We have had so much experience of war in our lifetime, and all of us, especially the women who, after all, have to bear the brunt of the burden, are determined that war shall be prevented.

If we do not believe in the value of International Co-operative Day, then let our respective Organisations so advise the Secretariat; but if we believe that Co-operative Day should be observed, then let us do all we can

to make it effective. This is a responsibility that rests upon each of us in our respective countries, and I do appeal to every delegate present, if he believes in the Manifesto which was issued last year, in the message which it contained, and in the messages contained in previous Manifestos, to agree that we shall retain International Co-operative Day and do all that we can to see that it is fittingly observed in every country associated with the I.C.A.

**Mr. C. C. Job, Great Britain:** I want to refer to the third paragraph in this section of the Report which states: "From the replies to the other questions the outstanding conclusion to be drawn was that after 26 years International Co-operative Day has not yet realised its full purpose and significance." I believe that one of the greatest purposes that International Co-operative Day can serve is to aid in the fight for the maintenance of world peace. I welcomed the Messages put forward by the Central Committee of the I.C.A., but at the same time I feel that the major responsibility for the failure to make International Co-operative Day a really worth-while movement rests on their shoulders. It is now three years since the end of the war. War damage has not yet been fully repaired; the war orphans have not grown up; millions are still homeless; hunger is common to the peoples of many lands; and yet millions are asking whether there will be another war. It is clear that powerful forces are at work for a new world war, and politicians are openly calling for the use of the atom bomb. The forces of reaction are strong, but the forces of the working people and of progress are stronger, provided they are united and move into action. I believe that the I.C.A., through the medium of International Co-operative Day, can provide a powerful medium for mobilising the people for peace. The direction from which the threat to peace comes can be indicated by the fact that recent figures show that the U.S.A. is spending  $14\frac{1}{2}$  times its pre-war budget on arms.

**The President:** Will you please deal with the Report.

**Mr. C. C. Job, continuing:** I am coming to that. I believe that this situation calls for drastic action on the part of the I.C.A., and I suggest that an urgent call be made to all co-operators in capitalist countries to bring all possible pressure to bear in the political, economic and cultural spheres to deal with the situation. Secondly, I believe that the Alliance should organise an immediate interchange of co-operators between all countries, to bring the message of peace and unity to all the working peoples of the world. I believe that if this were done over a period of months the next International Co-operative Day would be the culminating point, and the I.C.A. message would reach millions where only hundreds are reached at present. For those of us who have been fortunate enough to come here, our visit to this wonderful city and our opportunity to meet the Czech people has torn aside the veil of propaganda and lies which the capitalists have built up in our lands. We have seen that the people of this country are advancing in a way that all co-operators would wish for and work for. It is not good enough merely to have an annual message on Co-operative Day or an occasional Congress. This seed of International Co-operation must be fostered and cherished. We must all make International Co-operative Day the culminating point of months of campaigning, bringing together millions of men and women to help forward the time when co-operation can assist in the victory of the peoples over capitalism, and therefore make certain the ending of war.

**Mr. P. I. Kolesnikov, U.S.S.R.,** interpreted from Russian: At the 16th Congress, the Soviet delegation proposed that International Co-operative Day be celebrated under the slogan "The struggle for peace and security, for strengthening unity in the Co-operative Movement and for improving the well-being of the working people." At the Executive and the Central Committee of the I.C.A. in Rome the question of celebrating the 26th International Co-operative Day was under discussion, and some of the delegates here know that the Soviet representatives suggested that the Central Committee should call on the National Co-operative Organisations to mark the 26th International Co-operative Day this year by mass meetings under the banner of "The struggle for peace and democracy and for the improvement of the well-being of the working people." In the Soviet draft of a Manifesto it was pointed out that the National Co-operative Organisations should celebrate the Day together with the trade unions and other democratic organisations; but the Central Committee rejected the Soviet draft on the ground that it was written in a political tone which would not be acceptable in many countries, and they approved a Manifesto calling upon co-operators to take an active part to achieve democracy and strengthen the International Co-operative Movement. Soviet co-operators believe that this action on the part of the Central Committee should be condemned by this Congress, which should recommend the co-operators of all countries to use International Co-operative Day to make a drive for lasting and just peace and democracy, for strengthening international co-operative unity, and for the improvement of the economic position of the working people.

Soviet co-operators marked the 26th International Co-operative Day in the spirit of struggle for lasting democratic peace and security, for the establishment of close relations with the progressive co-operative organisations everywhere, and for the improvement of the well-being of the working people; the central press and radio all over our country gave publicity to the activities of the Soviet Co-operative Organisations; there were meetings of the management of Centrosoyus, with the participation of workers of the central co-operative bodies of the U.S.S.R., meetings of the management of 15 republican, 204 district and 4,205 area Consumer Unions, as well as meetings of more than 28,000 Co-operatives. The Soviet co-operators demanded the mobilisation of all forces and the co-ordination of all progressive national co-operative organisations in order to fight for lasting peace for the peoples of the world, for democracy and for the strengthening of the International Co-operative Movement.

The Soviet delegation consider that the question is not on what day this festival should be celebrated, but under what slogan, and therefore suggests the following resolution: "The 17th International Co-operative Congress recommends to all national co-operative organisations to celebrate the traditional International Co-operative Day every year by mass meetings and gatherings in their countries under the banner of 'Struggle for Peace and Democracy, Strengthen the Unity of the Co-operative Movement and Improve the Well-being of the Working People.'"

**Miss G. Tedesco, Italy:** The 26th International Co-operative Day gave the Italian women co-operators a chance to display their strength as a warning to the enemies of co-operation and peace. We know that whilst we work to improve our organisation and to forge links with the movements



which are friendly to us, the capitalist forces in our country and in the whole world, which in times past ruined many peoples and doomed them to destruction, are trying to stop the development of co-operation and to prepare for war as their most powerful means of oppressing the peoples of the world, depriving them of liberty and of dominating the world's markets.

Aware of past experiences and of the present danger, the Italian women co-operators know that it is no use building up economically powerful Co-operative Societies if we do not help to strengthen peace. Therefore, to prevent co-operation being again destroyed by fascism and war, the Italian women co-operators appeal to all workers and housewives to be vigilant defenders of peace and co-operation. They have themselves collected a hundred thousand signatures in favour of peace, and this has confirmed our belief that it is a condition of life for co-operation to be able to call on millions of women and men to solve its problems and support its aims. By acting in this way we shall defend peace effectively, not merely by words. We must not be content with mere figures of the number of shareholders; we must be a mass movement, an army of men and women fighting against capitalism and war. Our annual celebrations must be a display of our strength. Only if we succeed in this way, only if we are able to gain millions of men and women to our cause, the cause of peace and co-operation, will our work be successful and lead to progress, because without peace and efficient democracy co-operation cannot grow.

### **I.C.A. Relief and Rehabilitation Fund.**

**Mr. O. Spinelli, Italy:** On behalf of the National League of Italian Co-operatives, I wish to say a few words about the Relief Fund of the I.C.A. Some of you may remember that I spoke on this subject at the Zurich Congress, at the meeting of the Central Committee at Avignon, also that reference was made to it by the President of Lega Nazionale at the Central Committee Meeting at Rome in May last. You may ask what are the reasons for this insistence. They are that we are still thinking of our wounds, which are not yet healed; that we recall the destruction wrought by fascism, and the bitter struggle of Italian co-operators against the barbarism let loose by their unscrupulous opponents. All these facts we find fully recognised in the Report of the Zurich Congress, where it is stated that the Italian Co-operative League was the first victim of fascist aggression.

If we were the first victim of fascism, why are we excluded from the Relief Fund, which was opened for the special purpose of helping the Movements which suffered from fascist aggression? No one has told us why, but we were obliged to resign ourselves to the belief that we were excluded because Italy entered the war on the side of Germany. But what of the fact that Italy fought side by side with the Americans, British, French, Russians, Poles and all who fought for freedom and peace? Is it that our League, which was one of the founders of the I.C.A. and was dissolved in 1926, had any responsibility for the war? No; we are the same as formerly, the same co-operators whose leaders were thrust into prison 20 years ago, who sacrificed their lives in fighting fascism and defending the ideal of emancipation which alone supported us and saved us from despair. Why, then, are we excluded from the Relief Fund? Everyone knows that we did not await for help before entering upon the struggle. Why, then, deny us

the consolation of international solidarity, which is the foundation of our co-operative ideal and which would have enabled us to have with us the friends who know how hard it is to bring poor people, the workers and peasants, to our Movement, and how sad it is to see them fall before the brutality of men? We could have wished that our words of thanks could have gone to co-operators in every corner of the world, instead of only to our Swiss friends who have given us proof of their friendship! I bow in memory of a great co-operator, Mr. Huber, President of the Union of Swiss Consumers' Societies, and our friend.

We remember always the visit which Lord Rusholme with his colleagues, Mr. Gill, Mr. Perkins and Mr. Pearson, paid us in 1946, and their encouraging words after seeing the ruins and the re-birth of Italian Co-operation. We were deeply moved the other day when you, Mr. President, announced in the meeting of the Central Committee your intention to lay down the Presidency of the I.C.A., a post which you occupied with such distinction during the most difficult period in the history of Co-operation. We recall the words of Mr. de Brouckère at Avignon who revived our hopes by the authority of his great name; also the touching speech of Mr. Ramadier at the meeting of the Central Committee in Rome when he said that it was the duty of the Alliance to help Italian Co-operation. In their zeal, the Italian co-operators went so far as to propose the establishment of a permanent International Co-operative Solidarity Fund, to which they would contribute, and which, while it could have given us some relief from its foundation, would also constitute a safeguard for the future, for we cannot be certain that the cruelty of men will not bring about a repetition of all that we have suffered. If the Alliance should decide on the establishment of such a Fund, we would be willing to contribute to it, although the use of the Fund would not be reserved for us.

Like all its members, we love the Alliance, which was conceived by our fathers as a large family, devoted to the emancipation of men and the brotherhood of the peoples, and we wish to help make it more united, stronger and more generous.

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**The General Secretary:** We have received a telegram of greetings from "Merkaz" Audit Union of Co-operative Societies in Israel regretting that they are unable to participate in the Congress and sending their best wishes for successful work and good results.

With regard to the informal conference of representatives of Agricultural Co-operative Organisations to which reference was made in the discussion this morning, the convening of this Conference was agreed to by the Central Committee at its meeting in Prague on Sunday last. It is only an informal conference, and it is proposed that it be held on Wednesday at 6.30 p.m. I will ask those delegates who intend to take part to hand in their names to me some time this afternoon.

**Close of the Third Session.**

## FOURTH SESSION.

Tuesday Afternoon.

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### Discussion on the Report of the Central Committee (*continued*).

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

**Professor Edgard Milhaud, Switzerland:** It is not in a spirit of criticism that we present some observations on the section of the Report concerning relations between the Alliance and the United Nations, but as positive and constructive proposals. In view of the limited time allowed to speakers I will confine my remarks to a series of precise points: (1) It does not suffice for the Alliance to be physically represented at meetings of the economic and social organs of the United Nations. (2) The elaboration of the mandates presupposes first of all a study of the frequently very extensive documentation on the questions to be treated; for this, a centre or centres of classified and analysed documentation will be necessary. (3) The representatives appointed must be advised in good time in order to prepare themselves to carry out their mandate by a thorough study of the problems to be discussed. (4) The competent authority of the Alliance must envisage in advance not only its representatives but also their precise mandates, and how the latter can be fulfilled under the most favourable conditions; in some instances by requesting the inclusion of questions on the Agenda, for example, of the Economic and Social Council. (5) Previous contact with other organisations, especially for the inclusion of questions on the Agenda, may be indispensable. (6) It will be most important that the I.C.A. shall inform its affiliated National Organisations of the measures it contemplates, so that they may endeavour to secure the support of their Governments within the organs of the United Nations concerned; this method has recently proved very effective. (7) In this respect, as in many others, it would be most desirable if the various categories of Co-operative Organisations were grouped nationally, especially in National Committees of Inter-co-operative Relations. (8) In the same spirit, the activities of the International Committee of Inter-co-operative Relations should be resumed. (9) In view of the establishment by the United Nations of Regional Economic Commissions on a continental scale for Europe, Asia and the Far East, Latin America, etc., the Alliance, following a suggestion made by Lord Rusholme in 1945, should envisage the establishment of regional inter-co-operative groups which, in the present circumstances, would be eminently suited to give these Continental Commissions the most efficacious support of the Co-operative Movement. The I.C.A., like the world as a whole, is entering a new phase in its history. By means of decentralisation, as well as powerful co-ordination, it must adapt itself to the needs of the new epoch in order to succeed in its mission.

**Mr. G. Correti, Italy:** I wish to speak about the relations between the I.C.A. and the various organs of the United Nations, in other words, the foreign policy of the Alliance. In my opinion, the Alliance cannot and must not confine itself in the future to technical collaboration. There are organs in which we are represented in a consultative capacity, in which we can offer advice and try and make it prevail in the interests of co-operators, of the working classes and of all who desire freedom and peace. But it is evident when we study the debates in these organs, whether they concern commercial relations between the different countries or the employment of manual labour, that proposals could have been made which might have influenced politicians and even the heads of States according to the sentiments of the masses of co-operators, men and women.

We are an organisation which represents roughly 100 million people. Must we confine ourselves to dealing with questions from the technical point of view, or must we not, on certain occasions, make our voice heard in the defence of peace? It is true that certain parts of the Central Committee's Report indicate what we have said and what we have done. There is the question of the Manifesto of the I.C.A. in defence of peace, but an Organisation such as ours, especially since the ratification by the Central Committee of the agreement with the World Federation of Trade Unions, has, I think, the possibility to manifest in a far more concrete way our desire to work in all countries to organise the forces working for peace.

If the policy of force between different countries is gaining ground—and this is one of the difficulties foreseen in the Central Committee's Report which emphasises the serious disagreements which interfere with the activities of international organs—how can we intervene in such questions? We can intervene by making the voice of our Movement heard, by manifesting the force which we represent and the will for peace which animates us all.

I am convinced that neither in the Congress nor in the leading organs of the I.C.A. is there any prejudice, on the part of one section towards another. We are all men who love freedom and peace; we must, therefore, understand each other. What is there more painful than to see men divided upon questions on which, if they were discussed in good faith, an amicable compromise could be reached to the advantage of the whole world? For all men who love peace and freedom, there is no iron curtain between Eastern and Western Europe. It is possible to establish harmony and understanding between all peoples who desire peace and freedom. For this reason, our Alliance, in the opinion of the Italian delegation, should have put greater stress on these questions, and it is very regrettable that there are still some prejudices which must be removed. For example, protests have been made by certain delegations, which represent the countries which are called the popular democratic countries, regarding certain Co-operative Movements which have not yet been admitted to membership of the I.C.A. That is no proof of the unity which should reign within the International Co-operative Alliance and which would enable us to present ourselves to the politicians and heads of States as the representatives of the desire of all co-operators for a genuine peace organisation, fighting against trusts and cartels by inter-co-operative exchanges, thus assuring that all nations may exchange their products, experiences and delegations in the interests of peace and the consolidation of the bonds of friendship between the peoples.

In conclusion I re-affirm that if we wish to unite, and each one to bring a small but indispensable share for the construction of an edifice which shall be a world living in peace, we must give proof that we know how to unite and understand each other in order to strengthen the International Co-operative Movement and march forward to great victories.

It was formally moved and seconded, "That the question be now put."

**The President:** You are all familiar with the procedure. I will ask the Tellers to take the votes.

After the votes had been counted,

**The President announced—The motion is carried by 982 votes to none; the discussion on the Report of the Central Committee is, therefore, closed.**

### Reply to the Discussion.

**The President:** I will endeavour to deal with the questions which have been raised on the Report of the Central Committee, but I would first say how deeply I regret that so much of the discussion has related to matters quite outside the scope of the Central Committee's Report, and that there is, therefore, comparatively little in the way of discussion of the Report itself to which I have to reply.

A number of speakers dealt with the question of Agricultural and Consumers' Co-operation. Professor Casalini, of Italy, was somewhat critical of the Alliance because, as he put it, it did not seem to regard Agricultural Co-operation as of the same importance as Consumers' Co-operation. That, of course, is quite wide of the mark. As a matter of fact, I think it would be true to say that if one examined the Reports of the Central Committee of the Alliance from 1921 onwards they would not find a single Report in which the desirability of the development of Agricultural Co-operation and its collaboration with Consumers' Co-operative Organisations is not emphasised. So far as the Alliance is concerned, we are anxious to do everything possible to promote close relations and collaboration between the consumers' side and the agricultural producers' side of our Movement. Since Professor Casalini spoke a document has been circulated containing proposals for the development of those relations. I hope that Professor Casalini and others who are similarly interested in this will attend the meeting which is to take place to-morrow evening to discuss the desirability of the creation of an Auxiliary Committee for Agricultural Co-operation under the auspices of the Alliance. So far as the Central Committee and the Executive of the Alliance are concerned, if there is a sincere desire on the part of the Agricultural Producers' Organisation for such a Committee as an auxiliary of the I.C.A. it will meet with full sympathy and support.

The next point with which I will deal concerns the admission of the G.E.G. Hamburg into membership with the Alliance. Let me assure Congress that so far as the Central Committee and the Executive are concerned there is no desire to distinguish between the Co-operative Organisations in the different zones of Germany. The first I.C.A. delegation to

Germany which went only into the British zone was regarded as an incomplete visit, and immediately on its return it was decided that a further visit must be made to all four zones to see how Co-operation was developing. Consequently, through the good offices of Centrosoyus, the Co-operative League of America and of the French Movement a second delegation toured not only the British but also the French, American and Russian zones. But as regards membership of the I.C.A. the only application which has been received to date from a Co-operative Organisation in Germany is from the Co-operative Wholesale Society with headquarters at Hamburg, in the British zone. The information received shows that the constitution and activity of the Society comply with the conditions which the Alliance requires. Therefore, there was no reason why the German Wholesale Society should not be accepted into membership, just as we should accept any other Co-operative Organisation which is operating under similar conditions. If the Co-operative Organisations of the French, American and Russian zones make application for membership, and can show that their constitution and activity comply with the requirements of the Rules of the I.C.A., they, too, would be admitted. Indeed, I would say that that would be an important step towards the unification of the German Co-operative Movement. It is not easy for the I.C.A. to achieve that result when the Movement in only one zone is in membership, but if we had with us also the Organisations in the Russian, American and French zones we should be able to use greater influence towards assuring that unification which we all think is so desirable.

The next criticism which was raised, first I think by Mr. Nellis but also by other speakers, was of the non-admission of the Organisations of Byelorussia, Ukraine, Estonia, Latvia and Lithuania into membership of the Alliance as separate National Organisations. Those who were present at Zurich will remember that a similar question was raised there, and I do not think that I can possibly do better than read the reply which I gave at Zurich, because the position to-day is exactly as it was then. You will find what I am going to read on pages 100 and 101 of the Zurich Report; probably not many of you have that with you, but you can look it up when you get home. I said: "Now I come to the speech made by Mr. Lipovoy, President of the Ukrainian Union, who said that he could not understand why the Estonian, Lithuanian, Latvian, Ukrainian and Byelorussian Organisations had not yet been admitted into membership of the Alliance. The position, quite frankly, is this. The applications of these Unions, which were received by the Alliance in August of this year, state that they are separate, independent, autonomous bodies entitled to membership of the Alliance as National Unions. We have had submitted to us English translations of the Rules of these Organisations, and it seems to the Central Committee that these conflict with the statements made that the Unions are separate, independent, autonomous bodies. I will read some extracts from the Rules of the Ukrainian Republican Union of Consumers' Societies. At the head of the document is this statement: 'Approved by the decision of the Presidium of Centrosoyus.' Now the Central Committee cannot understand how the Rules of any autonomous, independent, national body should require the approval of any other body. The next Rule says that the Union 'plans, in compliance with the tasks imposed by Centrosoyus, the economic and financial activities of the Consumers' Co-operative Movement of the

Republic'; again 'it works out and submits to Centrosoyus all applications and orders for goods . . . ' 'The Ukrainian Republican Union of Consumers' Societies,' says another Rule, 'is a member of Centrosoyus.' Under 'Constitution of the Union—Report and Obligations of its Members,' the Rules lay down that 'Every Organisation—member of the Republican Union—is obliged to observe the decisions of Centrosoyus'; to submit to the Republican Union a report on its activities 'in accordance with the forms and terms established by Centrosoyus'; it has to admit the representatives of Centrosoyus to participation in the meetings of its authorities; it has to make deductions for the Union out of its profits, the amount, order, and terms of these instalments being established by Centrosoyus. May I go on? Another Rule says that 'the meetings of the Council (of the Republican Union) are either yearly or extraordinary,' which are convened in accordance with the decision of the Board or with the demand of the Auditing Committee or Centrosoyus.' Quite frankly, it does not seem to the Central Committee that an Organisation with such Rules can be regarded as an independent, autonomous, national body, and until we are fully informed upon all the facts of the situation we have agreed not to admit these Unions into membership."

The position to-day is exactly the same. If Centrosoyus or the Republican Unions can prove to the Central Committee that the several Republican Unions are independent national unions which conform to the requirements of the Rules of the I.C.A. there would be no reason for refusing their individual applications. At the present time all these Republican Unions have indirect membership of the Alliance through Centrosoyus. as it seems to us that they are part of that great central organisation.,

The next speaker to whom I must reply is Mr. Bokov, of Centrosoyus, who said that he would like to know how the subscriptions of the members of the I.C.A. were spent, and suggested that the balance sheet before Congress is rather meagre in the information which it gives. He also asked who appointed Mr. Loughborough to be the Auditor, who is Mr. Loughborough, and what are his qualifications. The balance sheet before Congress is in the form in which the balance sheets of the Alliance have been drawn up and presented over a long series of years. The items in the Cash Account cover the expenditure during the two years ended 31st December, 1947. If it were the desire of the Executive to have greater details and further explanations of any items, the desired information would be submitted to them at any meeting during the course of any year. I think it will be found, however, that in the main the items are those which one would normally expect to find—wages, salaries, rent, rates, taxes, printing, postage, and all the other general needs which must necessarily arise in the running of an organisation. There is nothing to conceal, and if any National Organisation in membership with the Alliance wishes further information, it has only to request that it be submitted to the Executive or to the Central Committee. With regard to Mr. Loughborough, he is an Englishman who has spent the whole of his life as an Auditor of Co-operative Societies' accounts. For forty years or more he was on the audit staff of the English Co-operative Wholesale Society, and in his later years he was elected as one of the full-time Auditors of the C.W.S. itself. It would not be possible within the British Co-operative Movement to find anyone better qualified to audit the accounts of the I.C.A. than Mr. Loughborough. With regard to his appointment, it will

probably be remembered that the former Auditor, Mr. Newman H. Cooper, also an Auditor of the English C.W.S., passed away in 1946. It was necessary to obtain another Auditor, and Mr. Loughborough kindly offered his services to the Alliance. I hope that that explanation is perfectly satisfactory.

Mr. Carreti, of Italy, raised the question of the proposed International Co-operative Press Agency, which came before the Central Committee again on Sunday last. The idea of such an Agency, first fully exposed by Mr. Barbier at Zurich in 1946, has since been discussed by the International Press Committee, also by the Central Committee on more than one occasion. It was introduced again on Sunday on a resolution from the Italian Co-operative League which, after consideration, was referred to the International Press Committee, as being the body qualified to deal with the proposals. In principle there is no opposition to the idea of an International Co-operative Press Agency, but in the opinion of the Central Committee the details of the scheme require to be worked out extremely carefully, and affiliated Societies must have full knowledge of what would be involved in the way of finance and give their approval before the scheme could be put into operation.

Mr. Barbier and Mr. Serwy referred to the finances of the Alliance. I am glad that they did so, because I am afraid that there is too often a tendency to think that an International Co-operative Organisation can be run on very little resources. It cannot. If you require service, as Mr. Serwy rightly said, you must pay for it, and if they want the I.C.A. to become the real live International Organisation which it ought to be, its members will have to be prepared to put their hands in their pockets and produce the funds to enable the Alliance to expand its organisation to meet the increasing needs of its work.

Mr. Hu referred to the creation of an International Co-operative Bank. This has been considered for a very long time past and, in the first place, is a question for the International Co-operative Banking Sub-Committee. Mr. Kassell, acting Chairman of that Sub-Committee, is present and I am sure he will have taken note of what Mr. Hu said regarding the paramount necessity, as he put it, for the creation of an International Co-operative Bank.

Mr. Papeschi and Mr. Spinelli spoke of the losses under fascism of the Italian Co-operative Movement. This matter also has been before the Central Committee of the Alliance on more than one occasion. I need not refer to the suggestion that Italy should receive some help from the I.C.A. Relief and Rehabilitation Fund, for Mr. Spinelli himself has told you exactly what the position is, that when the Fund was formed Italy was fighting with Germany against Britain and the other free countries of the world. That fact, however, does not affect our desire, under the changed circumstances, to help the Italian Movement in any way we can. Help means money; therefore, the first thing to do is to approach the National Co-operative Movements and say to them: "If we create an International Co-operative Solidarity Fund for the purpose of helping Movements which are in need, would you contribute to the Fund? If so, on what basis would you be prepared to contribute, and in what currency?" In these days, of course, the question of currency is important. The National Organisations



will very shortly receive an enquiry on the lines I have indicated, and upon their replies will depend whether and, if so, to what extent the I.C.A. will be able to help the Italian or any other National Movement which is in need of assistance. The Alliance itself has not the resources for such purposes, but the National Movements have, and if they are prepared to put funds at the disposal of the Alliance to help Movements in need, those funds will be used to the best possible advantage; but the decision rests with the National Movements.

Professor Kaji asked why we chose the first Saturday in July for International Co-operative Day. It is necessary to select some day or other if we desire, as we do, that on one day in each year there shall be a demonstration throughout the world of the faith which Co-operators have in the Principles of Co-operation and in their Co-operative Institutions. The First of May has been chosen as Labour Day, and is generally recognised as such. If it is possible for the Labour Movement to recognise the First of May, why is it not possible for the International Co-operative Movement to recognise the First Saturday in July? This decision, like all decisions of the I.C.A., was arrived at in an entirely democratic way. From time to time suggestions have been put forward that the First Saturday in July is not a suitable date for certain countries, as Professor Kaji has illustrated; and actually since the last Congress an enquiry has been addressed to all the National Movements to ascertain their views. All the replies received full consideration, but on the evidence before them the Central Committees came to the conclusion that, if one day had to be selected, it should be the First Saturday in July, which was already recognised as Co-operative Day in most parts of the world.

Mr. Kolesnikov, of Centrosoyus, raised the question of the Declaration for the 26th International Co-operative Day. It has been customary each year for Miss Polley to draft a Declaration, which she submits to the Executive. I am certain that nothing would please her better than if someone else would take over the task, for she has been doing it for so many years and must be in great difficulty in finding new ideas. This year Miss Polley's text was submitted to the Executive at Rome and, quite unexpectedly, another text was presented by the representatives of Centrosoyus. Both were considered, but the majority of the Committee felt that Miss Polley's draft was the more suitable for the Alliance, and accordingly it was approved. Those are the simple facts.

I am going to ask Mr. Barbier, of Switzerland, to deal with the point raised by Mr. Lipovoy regarding the appointment of the Director of the Alliance. The last point with which I will deal concerns collaboration with the United Nations Organisations. It was suggested that there is a tendency for the Alliance to confine itself to what were described as technical matters. We get a variety of criticisms from time to time, and it is amazing how first we are shot at from the left and then from the right so that the criticisms cancel each other out. My experience of the work of the Alliance is that the main criticism is that the Alliance ought to deal more with technical questions and not so much with questions of policy. If there is a complaint on the one side that we are too technical as regards the matters with which we deal, and on the other that we deal too much with matters of policy, it seems to me that the two complaints cancel each other out, and that we can be satisfied that we are steering a fairly straight course.

I have tried to the best of my ability to deal with the points relating to the Report which have been raised in the discussion. I do not suppose that in every case I have dealt with them entirely to the satisfaction of the speakers, but I have tried to give an honest, straightforward statement in reply to the criticisms, and I trust that it will be accepted in that spirit.

**Mr. Ch.-H. Barbier, Switzerland:** The President has asked me to speak on the reasons why the International Co-operative Alliance has passed from the conception of a General Secretary as its principal official to the conception of a Director and a General Secretary. The reasons themselves are given in full detail in the Report, but the decision of the Central Committee has been strongly criticised from this tribune.

It is obvious that the work of the I.C.A. to-day cannot be compared with what it was before the war; in particular the representation of the Alliance in the Organisations of the United Nations and its specialised agencies necessitates a very different structure of the Secretariat. That is the principal reason why the Executive, in the first place, came to the conclusion that, in addition to a General Secretary, there should be someone to assume the functions of Director. This proposal was made by the Executive to the Central Committee at Avignon in May, 1947. It was discussed at length, and in view of the international situation and the attitude of the opponents of Co-operation in all parts of the world, extremely powerful organisations which seek to assure their place in economy and against which the Co-operative Movement must react, we decided unanimously that an immediate change in the structure of the Secretariat of the I.C.A. must be made to permit more permanent, more energetic and more decisive action. That is why the Central committee at their meeting at Avignon when Polish, Yugoslav and Czechoslovak representatives were present, unanimously arrived at this decision. As Centrosoyus was not represented at that meeting I can understand the objections which have been voiced here by the Russian delegation, but I find it difficult to understand the objections raised by other delegations.

The changes proposed by the Central Committee are dealt with in their Report, also in the amendments proposed to Articles 18 and 33 of the Rules.

The Secretariat of the I.C.A. has been strongly accused of inactivity. Well, I think the Report submitted to us, and the many questions dealt with by the Alliance, must impress us. We may not all agree with the way in which things are done; we may hold different views, but no one can accuse the Secretariat of having been inactive. What constitutes the Secretariat? The General Secretary assisted by a staff of 8, 9 or 10 persons. For so small an office, the work accomplished has been truly immense, and instead of speaking of inactivity we ought, on the contrary, to pay homage to what has been accomplished. I avow, and I speak on behalf of the whole Swiss delegation, that we were extremely pained when we listened to the attack made against Miss Polley, the very dignified representative of a tenacious, extremely loyal and hard-working nation. Certainly no one in the International Co-operative Alliance is above criticism, and when criticism is justified it should be made. We can understand that the execution of such and such a task may meet with disapproval, but we cannot understand that one who has given all her energy and has worked heart and soul for the success of the International Co-operative Alliance can be accused of inactivity. Before

the vote on the Central Committee's Report is taken, I would like to remind you that Miss Polley has been in the service of the Alliance for thirty years; I would also remind you that, with the help of Lord Rusholme, she kept the Alliance in being during the whole of the war, and re-opened international relations immediately the war was over. If we have fault to find with the work, let us at least show a little of that English humour which could teach us so many things. As Shakespeare said: "Say that you do not love me, but say it without bitterness." If, therefore, we are dissatisfied with the work, let us say so as Co-operators, and direct our criticism not against persons but against the work itself.

The Report before us contains many things which are open to discussion. I do not pretend that everything is perfect, but I maintain that no one can accuse the Secretariat of the Alliance, as some delegates have done here, of inactivity.

**The President:** You have heard the replies to the discussion of the Report. I now submit it for adoption by the Congress.

**Mr. N. P. Sidorov, U.S.S.R.,** demanded a vote, which was supported by the required number of delegates.

**The President:** In accordance with this demand, a ballot will be taken.

After the votes had been counted,

**The President** announced—The voting is as follows: For the adoption of the Report, 553; against, 378. **I therefore declare the Report of the Central Committee adopted.**

## Resolutions on the Report.

**The President:** We now pass to the Resolutions which are submitted by the Central Committee on their Report. The texts have been distributed. We will take first the Resolution on the Promotion of Co-operation, to be moved by Professor Kaji of India.

### The Promotion of Co-operation.

The 17th Congress of the International Co-operative Alliance, in pursuance of the promotion of international co-operative solidarity as the basis of its activities, draws attention to the outstanding differences in economic development and standard of living between the more advanced and the under-developed countries of the world, and emphasizes the duty of the Co-operative Movement effectively to contribute to diminishing and, ultimately, to abolishing these differences.

In stressing the fact that a powerful development in all fields of free and voluntary Co-operation—Consumers' Co-operation, Agricultural Co-operative Organisations and Credit Co-operation—in the under-developed countries is one of the most effective means of promoting their general economic advancement, the I.C.A. appeals to the International Co-operative Movement to further the progress and stabilisation of Co-operation in the under-developed areas in the world with all the energies and resources at its disposal.

The International Co-operative Alliance should continue its work of spreading knowledge of co-operative principles and practice and of establishing and

**maintaining working contacts with pioneering co-operative circles in under-developed areas, thereby actively promoting the expansion and consolidation of Co-operative Organisations in those areas.**

**The National Organisations in co-operatively more advanced countries should undertake energetically to promote the commercial exchange of products with the Co-operative Organisations in the under-developed countries; to support the activities of the I.C.T.A. and the I.C.P.A., aiming at establishing international co-operative interchange of goods between all parts of the world; and to give their support in providing facilities for leaders and officials of Co-operative Organisations in the under-developed countries to acquire intimate knowledge of co-operative principles and helpful experience of the working methods of Co-operation in co-operatively more advanced countries.**

**The 17th Congress of the I.C.A. further directs the attention of the National Organisations to the importance of international action through organs of the United Nations Organisation to promote general economic and social progress in the under-developed countries along the lines expressed, e.g., in the Charter of the International Trade Organisation, and appeals to the National Organisations powerfully to contribute to bringing these policies into full effect.**

**By actively implementing this programme the International Co-operative Movement will powerfully promote the expansion of Co-operation in all parts of the world; the utilisation of the natural resources of the world to the benefit of the consumers; the emancipation of the populations in all continents from moral, educational and cultural points of view; and the raising of the standard of living in all countries, and will contribute to the steady reinforcement of the feeling of solidarity between peoples which is the fundamental prerequisite for a lasting peace.**

**Professor H. L. Kaji, India:** I feel greatly honoured to have been asked to move this resolution on behalf of the Central Committee. It is a great privilege, all the more so as I am a newcomer to International Co-operative Congresses.

This resolution appears to me to be of very far-reaching importance. Co-operation has been described in passionate appeals from this platform as the true harbinger of peace and as the only means of saving the world from further conflicts. The world is war-torn and war-weary, and the peoples everywhere, in India and the East, in Europe and the West, pray for peace. Peace is the chief requisite of the world to-day. Co-operation has as its first object the raising of the economic conditions of the workers, but how can we possibly expect to raise their working conditions and to improve their economic conditions unless there is peace in the world? It is in Co-operation, therefore, that the hopes of millions of people are now fixed for the establishment of the correct economic ordering of society, based on justice and equity. This resolution on The Promotion of Co-operation is of fundamental importance, and in my opinion is the central resolution of this Congress. If we could not only pass but implement the resolution we should do wonders, because it is Co-operation which is going to save the world, which is the true harbinger of peace and the foe of all war-mongering activities.

It has been suggested that Co-operators should meet together and espouse the cause of peace. That is right, but Co-operators must not be merely passive; they must be ready to struggle for peace and to do all that is necessary to help to maintain peace and order in the world. This resolution is, therefore, as I have said, of the greatest importance to Co-operators all over the world. It refers to the spread and promotion of Co-operation in the

under-developed countries. In the meeting of the Central Committee on Sunday last the question was raised as to what are the "under-developed countries," and it was suggested that the words "colonies and dependencies" should be used instead. I suggest to you, however, that "colonies and dependencies" is not the correct expression, because there are several States, like my own country, which are no longer in the category of colonies and dependencies, but are independent sovereign States within the British Commonwealth of Nations. The word "under-developed," therefore, must remain, although difficulty will arise in its interpretation because it is a vague term. The full implication of the resolution, however, is that we should promote Co-operation not only in the under-developed areas but in all areas all over the world. The several paragraphs of the resolution contain a number of suggestions which indicate the policy to be adopted in promoting Co-operation. Differences which exist in the standard of living between the developed and the under-developed areas should be minimised through the agency of Co-operation, because these differences, with poverty in some areas and abundance in others, are not conducive to peace. It is imperative for us to see, therefore, that the standard of living in the under-developed areas is raised.

I often read in the newspapers of the need for raising the standard of living in the advanced countries of the world. I should like to ask whether it is possible to go on raising the standard in countries where it is already fairly high, while allowing it to remain pitifully low in the under-developed countries? In my country millions of people have a standard of living which is below the subsistence level. It is the duty of all Co-operators to come to the rescue of the people in these under-developed areas and to see that their standard of living is raised to at any rate a decent level. We cannot hope immediately to reach the standard of the fully-developed countries, but much can be done, and Co-operators can help a great deal in this development.

The suggestion in the resolution conceiving the promotion of economic and social progress through international action also deserves attention. In this connection there is a reference to the principles of the I.T.O., to which some objection has been raised, but I would point out that this is merely an illustration. The resolution states that "economic and social progress in the under-developed countries" can be promoted "along the lines expressed, for example, in the Charter of the International Trade Organisation." It is not that we are bound to copy only the principles laid down in that Charter, but similar principles everywhere. Whatever good principles there are for this purpose should be adopted.

The last paragraph of the text refers to the results which may be obtained by the adoption of this policy: that the natural resources of the world will be used to the fullest extent for the benefit of producers and consumers; that the populations in all continents will be emancipated from the moral, educational and cultural points of view; that the standard of living in all countries will rise, "and will contribute to the steady reinforcement of the feeling of solidarity between peoples which is the fundamental prerequisite for a lasting peace."

I hope that you will feel, as I do, that this enunciation of policy is excellent, in fact that the whole resolution is excellent; but unless it is implemented it will not be effective, because pious platitudes are not going

to be any good to us. I sincerely trust that the Committees of the I.C.A. will take active steps in this matter, and will later embody in a report an exact statement of what has been done on this very important matter. With those few words I move the adoption of the resolution.

**The President:** The resolution is seconded. Mr. Patel will move an amendment.

**Mr. B. J. Patel, India:** This resolution has been very ably moved by Professor Kaji. I am in entire agreement with the principles and with the noble sentiments of the resolution, but I am worried about one thing, as he is, namely its implementation. If the Congress passes the resolution and does not devise ways and means of implementing it, it will be a mere pious wish. It may be said that the Executive will take care of it, but the Executive can deal with these matters only in a general way. I understand from the practices of the Alliance that it is usual to appoint a special Committee to deal with such questions. If, therefore, the Congress means business, I ask it to pass the amendment which I propose, which is to add at the end of the resolution the following paragraphs:—

“The Congress appoints the following Committee for the Promotion of Co-operation on the lines indicated in the resolution, and directs that an Auxiliary Conference be held along with the other Auxiliary Conferences at the time of the next Congress.

“The Committee should consist of representatives of Great Britain, U.S.S.R., Switzerland, Holland, Czechoslovakia, India and China.”

My object in proposing the amendment is this. There are two distinct problems before the I.C.A. From reading various reports, I find that so far the Alliance has worked successfully in the European countries, but there are other countries in the world. This body is called the International Co-operative Alliance, but up to now it has not taken any concrete steps to promote Co-operation in the under-developed countries outside Europe. One of the objects of the Alliance, according to Article 3 of its Rules, is to propagate co-operative principles and methods throughout the world, but so far it has concentrated on the countries where the Co-operative Movement is flourishing. This is the first time that the Congress has had before it a resolution of this character, and I should like to ask Congress to devise ways and means for putting the resolution into effect. My suggestion is that a small Committee should be appointed with the object of organising Co-operative Movements in countries where co-operative ideology has so far not penetrated. There are many countries round about India where the word Co-operation and its high ideals are not even known. If we want to be a truly international organisation, I think that this is the most important work that we can do.

I have just received a copy of the Interim Report of the Sub-Committee on the Future Policy and Programme of the I.C.A., and I notice that in this the promotion of Co-operation and the noble sentiments expressed in this resolution do not find a place. If you do not accept the amendment I have proposed, therefore, I think that this resolution will remain a mere pious wish. I ask Congress to accept the amendment, so that we can take the banner of Co-operation into all countries.

**Mr. N. P. Sidorov, U.S.S.R.,** interpreted from Russian: The Soviet delegation propose the following amendments to this resolution.

In the first paragraph we would like to change the term " under-developed countries " to " colonial and dependent countries," because we feel that the term " under-developed countries " is not quite clear to everyone.

In the second paragraph, instead of the words " their general economic advancement " we propose " the general economic level of the toilers."

In the third paragraph, instead of " under-developed areas " we propose to say " all countries."

We would like to eliminate altogether the part of the resolution which deals with the Havana Charter; also to replace the last two paragraphs by: " The International Co-operative Alliance calls for the development of trade negotiations between national movements on the foundation of mutual agreement."

Finally, we would like to add something about the work of the Central Committee in this respect, and say:

" The Central Committee of the I.C.A. did not utilise all the possibilities which the International Co-operative Alliance and the National Co-operative Organisations disposed of in their fight for lasting peace and democracy.

" The Central Committee did not condemn the creation of a military union in Western Europe, which is contrary to the peoples' aspirations for peace and international collaboration. It did not protest against the activities of the Governments of the U.S.A., Great Britain and France, which supported the fascist régime in Spain. It did not call on the National Co-operative Organisations of the world to raise their voice in defence of the victims of monarchist-fascist terror in Greece, and did not take any practical steps towards creating a united Co-operative Movement in Germany.

" The Congress condemns the Central Committee of the I.C.A. for being inactive when preparing an agreement for collaboration between the I.C.A. and the World Federation of Trade Unions.

" The 17th Congress of the International Co-operative Alliance declares that the main task of the Central Committee of the I.C.A. is the fight for a lasting peace and democracy, against the war-mongers of a new war, the fight for the strengthening of the unity of the International Co-operative Movement and improvement of the living conditions of the working people."

**Professor Kaji:** Mr. Patel's amendment is really an addendum. He seeks to implement the resolution, with which he is in entire agreement, by appointing a Committee to look after this particular programme. This point was raised in the Central Committee, and it was considered desirable to leave the matter to the Executive of the I.C.A. As the Executive have power to take the necessary steps in the matter, and in view of their earnestness of purpose, it may not be advisable to appoint a Special Committee at this Congress. But if, at a later date, we find that the Executive are not able to cope with the problem we may ask for the appointment of a Special Com-

mittee. I do not know whether Mr. Patel presses his amendment, but while I am not opposed to the appointment of a Committee I feel that the purpose may be equally served by leaving the matter in the hands of the Executive.

**The President:** We have two amendments before us. I will try to explain the Centrosoyus amendment, but let us first deal with the proposal of Mr. Patel, which is to add the following paragraph:—

“ That this Congress appoints the following Committee for the Promotion of Co-operation on the lines indicated in the resolution, and directs that an Auxiliary Conference be held along with the other Auxiliary Conferences at the time of the next Congress, the countries to be represented on the Committee being China, India, Czechoslovakia, Great Britain, U.S.S.R., Switzerland and Holland.”

If this amendment means that nothing is to be done except call an Auxiliary Conference there is no purpose in passing it, but I assume that what is meant is that there shall be set up a Special Committee charged to give effect to the proposals in the resolution. That seems to me to be the most effective way of doing nothing. If the resolution is left to the Executive it will be dealt with, but if we have to call representatives from all these different countries I am not sure that we shall make progress. The practical method is to do what Professor Kaji suggests. I will put the amendment to the vote.

**The amendment was lost.**

**The President:** We now have to vote on Mr. Sidorov's amendment, which is to restrict the resolution to “ colonial and dependent ” countries instead of “ under-developed ” countries; to delete the last two paragraphs and to introduce four paragraphs which were originally part of the Soviet resolution complaining of the inefficiency of the Central Committee. In the circumstances, I hope Congress will adopt the resolution of the Central Committee.

**The President** announced the vote as follows: For the amendment, 450; against, 552; and declared the resolution adopted in its original text.

**Close of the Fourth Session.**



Wednesday, 29th September.

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## Resolutions on the Report (*continued*).

**The President:** The first item on the agenda for this morning is the resolution on Housing which will be submitted on behalf of the Central Committee by Dr. W. Ruf.

### Co-operation and Housing.

The 17th Congress of the International Co-operative Alliance draws attention to the tendencies of organising the housing industry with a view to providing adequate housing, especially for families in the lower income group, which have appeared in the formation and steady growth of Co-operative Housing and Building Societies and their central organisations in various countries;

Stresses the importance of these Societies for the general solution of the housing problem in pursuance of progressive social and economic policies aiming at the development of adequate housing standards in urban and rural zones; at avoiding land speculation and excessive profits in the housing industry; at improving the output of the construction of houses; and at lowering the costs and rentals so as to make satisfactory housing accommodation available for social classes with low incomes;

Recommends the National Organisations, members of the I.C.A., to study, wherever this is not already being done, the scope of activities and general possibilities of development of the Co-operative Housing Movement; to establish contacts with central organisations of the co-operative housing movement already in existence in the various countries;

Further recommends the affiliated National Organisations, wherever private monopolistic combinations are active in the production of building materials, fittings and fixtures, or in the industries of installation, with detrimental effects on the costs of construction, to embark upon the production of key materials in suitable fields of industry, and, where Co-operative Housing Organisations become, eventually, active in these fields of production, to seek contacts with them with a view to establishing jointly-owned enterprises; and

Finally, the Congress emphasizes the desirability of a continued study of the nature and possibilities of development of Housing Co-operation within the I.C.A., with a view to gathering into the Alliance as members those National or Central Organisations of Co-operative Housing and Building Societies which conform to its Rules, and to drawing up, with the assistance of these Organisations, general principles and practical directives for continued co-operative and inter-co-operative action in the field of housing.

**Dr. W. Ruf, Switzerland:** I am very pleased to move this resolution, and I do so in a language which has not yet been heard from this platform as a modest reminder of the third official language of our Alliance—German.

This resolution is of great importance to the whole of the International Co-operative Movement. As you all know, it has been found extremely difficult in most countries to find a satisfactory solution for the problem of

housing; you also know that one of the reasons for this is the fact that in nearly every country housing and land are subject to the activities of speculators, while materials and construction are often in the hands of monopolies or exploited by capitalist enterprise. The need for efficient action by the Co-operative Movement is, therefore, fully appreciated.

Everybody needs food, clothing, and housing. So far as food and clothing are concerned, the Co-operative Movement, through Agricultural and Consumers' Co-operatives, has done a great deal towards satisfying these human needs; now it is anxious to do something as regards housing, and in the first place it is important that the Co-operative Housing Organisations which exist in different countries should collaborate effectively with the Consumers' and Agricultural Co-operatives. In Switzerland close collaboration has already been established, with very good results, between the Housing Co-operatives, Agricultural and Consumers' Co-operatives, Co-operative Banks, Insurance Societies, and so on. Much more, however, can be done, and our Danish friends have shown us the way. In Denmark the production of materials of construction is successfully undertaken by Co-operative Organisations, so that there is no need for the Housing Co-operatives to be dependent on capitalist enterprises.

In my opinion, every National Organisation in membership with the I.C.A. has a great interest to do its utmost to promote this development and to expand it; also to explain to the Central Organisation of Co-operative Housing in its country the importance of affiliation with the I.C.A. It is for these reasons that I ask Congress, on behalf of the Central Committee, to accept this resolution.

**Mr. H. L. Score**, Great Britain: We all know that the primary necessities of life are food and shelter, and the Rochdale Pioneers envisaged the provision of both co-operatively. We have gone far in the direction of providing food, and there are very powerful Co-operative Organisations in every country concerned with its provision; but to some extent it must be said, to our regret, that we have not done as much as we ought to have done to provide housing.

In Great Britain to-day we have a Labour Government which has provided more than 850,000 houses for the people, working through the local authorities throughout the country. In every town and in every village one can see signs of house construction, and in the Co-operative Movement, too, the Consumers' Societies are getting busy. There are three great National Societies interested in housing. I come from the Co-operative Permanent Building Society, which has funds exceeding £50 million that are devoted to the service of housing under democratic auspices. Associated with this National Society are the two great Wholesales of Britain, the C.W.S. and the S.C.W.S., also the Co-operative Insurance Society. The funds which have been made available for working-class housing through the Co-operative Permanent Building Society, exceed in volume £70 million, which in Czech currency would be equivalent to 14,100,000,000 crowns.

These are great contributions, but more has to be done. In almost every country in the world housing is lagging behind in the programme of reconstruction, but the voluntary effort of the Co-operative Movement can do much.

We here to-day represent great Organisations that can contribute tremendously to the relief of the bad housing which is the legacy not only of two great wars but of centuries. The greatest effort that we can put into this work is the least that we can do. I appeal to you from the bottom of my heart to go back to your countries and to appeal to your Organisations to associate together in this great effort.

**Dr. M. Bonow, Sweden:** The Swedish delegation wishes to support this resolution. We have had some experience in our country of what can be achieved in the field of housing by the close collaboration of Consumers' Co-operatives, the Co-operative Housing Movement, and other interested Co-operative Organisations. In Sweden, as in many other countries, cartels have a very strong hold on the building industry and the production of building materials. These cartels have a very bad influence on the cost structure, and it is of very great interest to consumers as a whole to bring down the cost of building and thus make possible lower rents.

Some years ago the Swedish Co-operative Wholesale Society took up the production of sanitary and other building equipment. To-day the production of building materials by Consumers' Co-operatives through their Central Organisation, also by joint enterprises of a co-operative character created by the Consumers' Co-operative Movement in collaboration with the Co-operative Housing Movement, covers a very wide field. For instance, we already have the co-operative production of wallboard and plywood; we have a big chain of brick factories, for the most part jointly owned by K.F. and the Central Co-operative Housing Organisation. Jointly with the Housing Corporation (a special workers' corporation built up by the trade union movement) we also have a factory producing constructional material. That is an example of Consumers' Co-operatives entering heavy industry. In addition K.F. has a huge factory which produces bath-tubs, the output of which is sufficient to cover the yearly demand for baths in Scandinavia. As the same problem exists in the installation branch, the Consumers' Co-operatives, through their Wholesale Society, have entered this field also, in order to break up the monopolies and obtain the benefit of lower costs for the consumers. I have mentioned these few practical examples in order to show that it is quite possible for Consumers' Co-operatives, in conjunction with Housing Co-operatives, Agricultural Co-operatives, and so on, to start the large-scale production of building materials and thus to reduce costs to the benefit of the consumers. Housing Co-operation in Sweden is a very important activity which covers all the principal towns in the country and has rendered a very great service to the consumers as a whole by making possible the lowering of rents and the provision of better houses and better services.

We can, therefore, endorse everything that is said in the resolution. It is not a theoretical matter with which we are dealing here; we have had practical experience in Sweden, as is the case in Switzerland, that it is possible to provide better conditions for the people by co-operative intervention in the housing field. The Swedish delegation also whole-heartedly support the resolution.

**The President:** Will you adopt the Resolution?

**The Resolution was adopted.**

**The President:** The next resolution is on World Oil Resources, and will be moved by Mr. J. M. Davidson, Great Britain.

### **World Oil Resources.**

**The 17th Congress of the International Co-operative Alliance stresses the urgent necessity of an effective implementation of the principle of the Atlantic Charter of free and equal access to the raw material resources of the world for the maintenance of a lasting peace;**

**Further, that these raw material resources to an ever-increasing extent are being exploited by monopolistic combinations, cartels and trusts, active in the national or international field, with a view to deriving excessive profit by restricting production and establishing domination of the markets of distribution;**

**Also that this development in the case of certain important raw materials, such as petroleum, has had the effect that, in spite of abundant potential resources, the supply available during periods of particularly heavy demand cannot satisfy the growing needs, with the result that, in the present situation, a world shortage of petroleum has arisen;**

**The Congress, therefore, emphasizes the urgency that this development be submitted for study to a suitable organ or specialised agency within the framework of the United Nations Organisation to serve as a basis for measures to be taken with a view to safeguarding, by international agreement, the expansion of production and the free access to petroleum, also to providing for the consumers all reasonable facilities to cover their needs through organisations of their own.**

**Mr. J. M. Davidson, Great Britain:** Partly because of certain protective laws, and partly because the richest source of oil in the world is to be found in this hemisphere, the "big play" at the moment, as the oil industry would express it, is taking place in this hemisphere. Oil imperialism is rampant, involving some of the Great Powers. The struggle for oil is a far-reaching one, which may possibly involve the peace of the world; already there has been bloodshed since the second world war, and crude oil has been undoubtedly somewhere in the background.

The fact that observers from the major oil companies sat in the galleries at the Zurich Congress of the I.C.A. when matters affecting oil were under discussion is admission enough that they are fearful of the influence that Co-operators may be able to exert in the oil industry. The fact that the Congress of the I.C.A. attracted hundreds of leaders from more than a score of countries, and that the I.C.A. has permanent consultative status with the United Nations, not only impressed but disturbed the oil companies and combines. The efforts of Co-operators to emphasize the need to study the question and to place the control and administration of the oil resources of the world under the authority of the United Nations, have been more effective in high places than most of us realise. Oil men know, and will admit in private conversation, that far-reaching changes are impending in the industry, domestically and internationally. Since oil is so vital both in peace and in war to every economy, it is probably inevitable that the United Nations should take part in the game internationally. Oil men fear this, and fight it bitterly. They are fearful of Co-operation and its potentialities. The only answer that they know is to take millions of dollars from the consumer to wage a war against him. It means that the fight against Co-operation, which some people believe is a passing thing, is likely to be with us from now on at all levels.

The oil resources of the world should be administered in such a way that Co-operative Organisations can be assured of receiving an equitable share; and so, because of that, we are submitting this resolution to the Congress, which has been accepted by the International Co-operative Petroleum Association.

In the second paragraph, a change has been made in the text as distributed, which reads: "Further, that these raw material resources to an ever-increasing extent are being exploited by monopolistic combination . . . ." The Petroleum Association proposes to insert after the word "by" the words: "**private and State capitalistic.**"

In the last paragraph you find the essence of what is desired by the International Co-operative Petroleum Association, and also by the I.C.A., and I think we shall all agree that there is a dire need for the general control which is suggested.

Let us always remember that we have been privileged by past pioneers handing on to us the torch of emancipation. Who in this Congress would dare to extinguish its flame? The eyes of the world, from a co-operative point of view, are on Prague. Many will fervently pray that we, the leaders, will give guidance and strength at this moment; other forces will hope for deadlock and break-up. Let us dash the hope of our failure on the rocks of despair and, when we finish the Congress on Thursday, let us thunderously assure the world that, while Governments may be unable to compose their differences, we in the I.C.A., with all our different view-points, have remained strong in our faith that only by the application of co-operative principles to all the ways of life can mankind hope to emerge from the present darkness to the light of hope and peace and goodwill to all men. I have the greatest possible pleasure in moving the resolution.

**Mr. A. Johansson**, Sweden (Chairman of the International Co-operative Petroleum Association): I support what Mr. Davidson has said.

**Mr. N. P. Sidorov**, U.S.S.R., interpreted from Russian: The Soviet delegation propose the following amendments to the resolution. In the second paragraph we should like to insert the word "capitalistic" before the word "monopolistic," so that it would read ". . . . are being exploited by capitalistic monopolistic combinations, cartels, and trusts," because it is our task to fight against exploitation by capitalistic monopolistic combinations.

With regard to the last paragraph, we feel that it is not necessary to establish a special organ within the framework of the United Nations Organisation for the control of oil; otherwise we should have to establish such control of other raw materials. We feel that the Atlantic Charter deals with this problem quite satisfactorily and clearly, and provides for control of oil and other raw materials. Therefore, we propose to delete the last paragraph and to insert instead the following: "The Congress therefore emphasizes the urgent necessity of putting this programme before the United Nations Organisation, asking it to undertake control of the distribution of oil by capitalistic monopolies, trusts, and cartels, to see that oil is used for the aims of peace; also to provide for consumers all reasonable facilities to cover their needs through organisations of their own."

**Mr. T. H. Gill, Great Britain:** The commodity which we are now discussing is probably, after wheat, the most precious raw material and more necessary to the welfare of all peoples than anything else. Unlike wheat, however, oil is not produced in every country of the world; it is only certain countries that produce this necessary raw material. As a result, the fight for the control of the oilfields of the world is always going on and, arising out of this fight, bitterness and ill-feeling are engendered between country and country. The present capitalistic control of oil takes three forms: there is the monopoly control by certain countries; there is the monopoly control by capitalistic cartels; and there is the third form of control, where the State and capitalists have combined and formed their own cartels. What the resolution asks is that an enquiry shall be made with a view, first, to determine all the sources of the raw material; secondly, to determine the needs of the various countries for the raw material; thirdly, to determine a fair share of the oil for all the countries that need it, whether they be producing countries or not.

It may seem that the amendment moved by Mr. Sidorov is very innocuous and does not mean much, but in fact it would mean that we were concerned only with oil owned by capitalistic cartels, leaving the various States which control oil to go on with that control in the old manner, in their own way, without any regard for the rest of the world and its needs. I suggest, in view of the experience of the past, and having regard to all that Mr. Sidorov has had to say about war and the warmongers, it would be a tremendous mistake if this Congress were to agree that where the oil is owned by the State there shall be no enquiry; that such States shall be free to do exactly what they like, and that the old rivalry between States over oil shall go on. I know of no other commodity which leads to so much ill-feeling and quarrelling between nations as oil. I put it to Congress, therefore, that the enquiry should be complete and should deal with State-controlled oil as well as with capitalist-controlled oil, and that delegates should accordingly vote for the resolution and against the Soviet amendment.

**The President:** Mr. Sidorov has demanded a ballot, which will be taken by the Tellers.

The result of the vote was as follows: For the resolution, embodying the amendment proposed by the Petroleum Association, 626; For the Soviet amendment, 353.

**The President declared the resolution adopted.**

## **The Future Policy and Programme of the I.C.A.**

**The President:** On the question of the Future Policy and Programme of the I.C.A., the Central Committee have agreed to submit a number of Interim Recommendations for the approval of Congress.

The text of these Recommendations has been distributed, and they will be moved by the Director.

## The Recommendations.

### (a) With respect to the relations between Consumers' Co-operation and Agricultural Co-operation.

1. That all efforts should be made to induce all forms of Co-operative Enterprise, including Agricultural Co-operation, to join the International Co-operative Alliance through their National Organisations.

2. That the establishment of national organs for collaboration and conciliation between all principal forms of Co-operative Enterprise, in the first place Consumers' Co-operation and Agricultural Co-operation, should be encouraged. Such super-organs exist already in several countries.

3. That, in pursuance of the task of co-ordinating the different co-operative activities within the national economies with a view to achieving the best economic results, the task of drawing up appropriate lines of demarcation, in the first place between Consumers' Co-operation and Agricultural Co-operation, should be approached through these national organs or by direct negotiations; and

4. That, with a view to bridging over conflicting economic interests or linking together different forms of co-operative enterprise which have a common economic interest, the creation of joint commercial enterprises should be promoted. Such enterprises jointly owned by Consumers' and Agricultural Co-operation can be advantageously established in the field of processing and marketing agricultural produce with the object of reconciling the interests of buyers and sellers, or in the field of producing or importing materials or requisites essential to both forms of Co-operation, or of key importance to lowering the costs of agricultural production to the benefit of producers and consumers alike.

### (b) With respect to the relations between Co-operation and the State in countries of the mixed economy type.

1. The Co-operative Movement should assert its right to compete on equal terms with private trade and manufacture, and, where State and Municipally-owned enterprises compete with privately-owned enterprises, the right to participate on equal terms in this competition.

2. The Co-operative Movement, being better fitted to carry out certain tasks within the national economies than is the State by means of nationalisation, should promote the establishment of separate Organisations, jointly owned by the different Co-operative Organisations, to carry out these tasks wherever needed to attain the necessary magnitude of enterprise.

3. The Co-operative Organisations, in order to increase their possibilities to fulfil useful tasks within the national economies, should whenever practical invite State and Municipally-owned enterprises with purchasing interests to join them as members; and

4. The Co-operative Movements, in order to strengthen the general influence of the consumers in fields of economic activity where State or Municipal monopolies have been brought into existence, should strive to establish consumer control over the administration of the monopolies and, wherever they have attained a sufficient order of magnitude and overhead influence on national economic life, claim their proper share of representation on the controlling bodies.)

The Central Committee finally recommends that the work of the Policy Sub-Committee should be continued with the aim of submitting a final report to the next Congress.

**The Director, Mr. T. Odhe:** At the Zurich Congress in 1946 the Future Programme and General Policy of the Alliance was one of the outstanding items on the Agenda. The Central Committee had appointed a Sub-committee consisting of Lord Rusholme, President; Mr. J. McFadyen, Great Britain; Professor Louis de Brouckère, Belgium; Mr. Johannes Huber, Switzerland; Dr. Mauritz Bonow, Sweden. The Sub-Committee submitted a preliminary report to the Congress which, on the proposal of the President, was approved without discussion, with the recommendation of the Central Committee for the further study of the whole problem and the preparation of a more positive statement.

To help it in the continuation of its work, the Sub-Committee decided to send questionnaires to the National Organisations relating to one of the groups of questions particularly concerned, namely, the relationships between different types of co-operative enterprises; also that another group of questions, concerning the relationships between the State authorities and Co-operation, should be dealt with in the first place by surveys of the actual position in selected countries, prepared by persons in the Co-operative Movement having expert knowledge in this field. In conformity with this decision, questionnaires regarding the relationships between Agricultural and Consumers' Co-operation were sent to all the affiliated National Organisations in November, 1947. Replies were received in 1948 from the Organisations of Austria, Belgium, Czechoslovakia, Denmark, Finland, France, Great Britain, Greece, Iceland, the Netherlands, Palestine, Poland, Switzerland, and Sweden.

To the Sub-Committee's request for views on the relationships between the State authorities and the Movement, replies were received from the British Union and the Union of Swiss Consumers' Co-operative Societies. At a later stage the Swedish member of the Sub-Committee contributed a memorandum expressing general views on the basis of the conditions prevailing in his country.

On account of the personal commitments of its members and other circumstances the Sub-Committee had no opportunity for a full meeting to deal with the information which had been received. Therefore, the Central Committee, at its meeting in Rome in May, asked me to draft a report on the replies to the questionnaire and the memoranda on the question of relations between State authorities and Co-operative Organisations. This report was before the Central Committee at its meeting in Prague last weekend, when the draft recommendations were approved for submission to Congress, and at the same time I was asked to submit a report on the developments since Zurich. The conclusions drawn from the report are in the hands of the delegates. They are not to be regarded as recommendations on questions of principle, but only as practical recommendations to be further elaborated by the Sub-Committee, and the final recommendation is that the work of the Policy Sub-Committee shall be continued with a view to the submission of a final report to the next Congress.

I have a few general remarks to make on the development of the question since the last Congress. With regard to the results of the questionnaire, it should be observed that replies were received from only 14 Movements, all of them, with one exception, in Europe, and mostly in the western part. As is self-evident, therefore, the conclusions only reflect conditions in those countries. The general impression gained from the replies is that



commercial and other relations between Consumers' and Agricultural Co-operatives should be much more developed; that more effective measures should be taken to safeguard and promote the common interests of these two groups of Co-operative Organisations; that business relations between Consumers' Organisations in one country and Agricultural Organisations in others are still on a comparatively modest scale and should be strongly encouraged.

With regard to the relations between the two types of Organisation within the framework of the different national economies, the need is pointed out for demarcation of their activities on the one hand and co-ordination on the other. To this end, the establishment of national or international joint councils of Consumers' and Agricultural Co-operative Organisations should be encouraged, and efforts should be made to include all forms of Co-operative Organisation in the International Co-operative Alliance. The need for joint commercial enterprises of Consumers' and Agricultural Organisations is also evident from the replies to the questionnaire, as well as the usefulness of such enterprises to combat monopolistic cartels and trusts, particularly in the field of farmers' requisites. In some countries such enterprises have been in existence for some time, and the results achieved by them are positively encouraging.

With regard to the second part of the conclusions, concerning relations between State authorities and the Co-operative Movement, I am very anxious to draw attention to the very limited number of replies, also to the fact that, since all three of them refer to countries having a so-called "mixed economy," the conclusions apply only to national economies of this type. It is to be hoped that, if Congress adopts the recommendation for the continuation of the work of the Sub-Committee, it will be able to extend its investigations to States which have a planned economy, and that all the necessary material will be furnished by the Co-operative Organisations in those countries.

I would add that the results of the questionnaire, which are summarised in the report, should be of considerable interest to the Co-operative Movements in all countries. As the draft had to be submitted for approval to the Central Committee at its meeting in Prague, it was not possible to include the summary of the replies with the document distributed to the delegates. We hope, however, to publish it either in its entirety, or in part, in the "Review of International Co-operation" as soon as possible.

On behalf of the Central Committee I have the honour to move the approval of their interim recommendations, also that the Central Committee be authorised to recommend the Sub-Committee to continue its work and to submit its final report to the next Congress.

**Dr. O. Kraus, Czechoslovakia:** It is about two years since the Central Committee set up a Sub-Committee to elaborate a Report on the Future Policy of the I.C.A., but up to the present all that this Sub-Committee has done is to send out two questionnaires. Yet for the International Co-operative Movement there is no more important problem than the policy and programme of the Alliance. If we desire to follow in the spirit of the Principles of Rochdale, that means a struggle against capitalism, a struggle for the realisation of socialism. But experience has taught us that Co-operation alone is not capable of conquering capitalism, that it is utopian to think of achieving

reconciliation between the classes and of changing exploiters into Co-operators simply through Co-operation. The advantages of economic association are not only recognised by Co-operators; capitalists are also fully aware of them, and long ago formed their own cartels and trusts. This economic organisation of the capitalists constitutes an insuperable barrier to the future development of Co-operation in capitalist States.

From this it is apparent that the principles which should inspire the Future Policy and Programme of the I.C.A. are the following: Firstly, to promote indivisible unity with the Socialist Trade Union Movement in capitalist countries. Secondly, to realise this unity not only by affirmations in International Conferences, but by very active support to the political and trade union movements in the different countries. Co-operative Societies must form the economic basis of the political and trade union movements; for instance, they must help in assuring food supplies to workers on strike, in finding jobs for workers who are on the black lists of capitalist employers; they can establish socialist shops; they can set an example by giving double pay for overtime; they can threaten to cancel orders to suppliers who exploit their workers. The I.C.A. must draw up a detailed programme and insist upon its execution by the different National Co-operative Organisations. You see what the I.C.A. could do if it were inspired by the spirit of the Principles of Rochdale, the aim of which was the abolition of capitalism.

**Mr. A. P. Klimov, U.S.S.R.,** interpreted from Russian: The Soviet Co-operators have often spoken at meetings of the organs of the I.C.A. and its Congresses against the famous principle of neutrality, but up to now the I.C.A. has maintained this principle in its policy. Such a policy helps the enemies of the Co-operative Movement to intensify their fight against it and against the progressive measures carried out by the National Co-operative Organisations. The Soviet Consumers' Co-operative Movement has always been of the opinion that instead of political neutrality the policy of the I.C.A. should be to carry on an active political fight for peace and democracy, against the warmongers who wish to bring about a new world war, and for the improvement of the living conditions of the toiling masses. Soviet Co-operators have often told the leaders of the I.C.A. that the policy of neutrality adopted by Co-operative Organisations is harmful to the International Co-operative Movement and to Co-operators the world over in their fight against their enemies. Owing to this famous political neutrality, the bourgeoisie and the fascists have started their offensive against the toiling masses and the co-operators. The political neutrality of the Co-operative Movement helped the fascists to stabilise their power. Neutrality has an arresting and devastating influence on the Co-operative Movement in all countries. That is why the Soviet delegation proposes that the Alliance shall give up neutrality and shall call upon co-operators all over the world to take an active part in the fight for international peace and security and for the strengthening of the unity of the International Co-operative Movement.

Some of the leaders of the Central Committee of the I.C.A. are proclaiming fantastic principles, according to which the International Co-operative Movement imagines that it may act in absolute independence and, by its own efforts, be able to substitute a co-operative system for the present capitalistic system. The fantastic aspect of such plans was exposed by Lenin

in his famous article "On Co-operation," published in 1923, in which he wrote: "Why were the plans of old Co-operators, beginning with Robert Owen, so fantastic? Because they dreamed of a peaceful reform of modern society through socialism, without taking into consideration such an important question as the question of class struggle, of the conquest of political power by the working class, of abolishing the reign of the exploiting classes. That is why we are right when we declare this 'co-operative' socialism to be absolutely fantastic, something romantic, even vulgar and mean, when thinking that by means of the simple organisation of the population into Co-operatives it would be possible to change the class enemies into class collaborators and class war into class peace, so-called 'civil' peace."

The second world war has brought indescribable calamities and sufferings to millions of people, among them many co-operators, which will never be forgotten; it has shown that only the unity of all nations made victory over the enemy possible. If it was possible to maintain unity during the war, it must be maintained now when we are fighting for peace. The second world war has also disclosed many difficult and unsolved questions. All the world knows that the ruling circles of the United States of America, Great Britain, and France are conducting propaganda in their press for a new world war. They are striving to obtain predominance, and are enforcing their will on the people of all the world; they have rejected the principle of unity in action which was embodied in the historical decisions of the Teheran, Crimea, and Potsdam Conferences, decisions which they are not carrying out. But their reactionary policy is receiving a decisive rebuff from the great Soviet Union and the lands of the new democracy. Co-operators all over the world will have to start an active fight against the imperialist warmongers. That is why the Soviet delegation declares that the Future Policy of the I.C.A. must be a policy of fighting for a lasting and just peace and for the principles of democracy and security; a policy which will solidify international co-operative unity and collaboration with the World Federation of Trade Unions and other democratic organisations fighting for world peace and against warmongers.

The Soviet delegation suggests that the basic aims of the Future Policy of the International Co-operative Alliance should be as follows:—

1. Taking into consideration the fact that the aim of the Co-operative Movement—the fight for the social and economic well-being of the large masses of the population—can be realised, and the Co-operative Movement successfully developed, only under the conditions of a lasting peace, the I.C.A. will regard as its task and future policy the fight for a stable and lasting democratic peace. It is the task of the I.C.A. to co-ordinate and activate the work of the National Co-operative Organisations, especially against States that are yearning for world supremacy.

2. Taking into consideration the fact that the fascist regime, when it existed in Germany, Italy, and Spain, ruined and devastated the Co-operative Organisations of those countries, it should be the aim of the I.C.A. to mobilise the National Co-operative Organisations, as democratic organisations, against fascism in all its forms.

3. The I.C.A. must organise in all countries the fight of Co-operative Organisations and Trade Unions, members of the World Federation of Trade Unions, as well as all other democratic organisations of the working masses, for the social and economic rights of the toilers and for the abolition of any kind of discrimination based on race, sex, nationality, creed, or party.

4. The I.C.A. must struggle for the unity of the Co-operative Movement on the national as well as the international level, and against any split.

5. Special attention must be paid to explaining the ideas of the Co-operative Movement in order to strengthen international co-operative unity and arouse in the members of the Movement a consciousness of personal responsibility for the realisation of co-operative aims and tasks. The I.C.A. must teach the toiling masses to realise that the improvement in their standard of living, attained by means of the Co-operative Movement, will be insufficient and limited so long as the means of production and exchange remain in the hands of the exploiting classes, whose expropriation is the main condition for the possibility to organise a socialist society.

6. The I.C.A. and its organs must do their best, during the election of the leading organs of the Co-operative Movement, to secure the votes of their members for persons devoted to the cause of Co-operation and to the cause of peace, and forbid the access into co-operative organs of any fascist elements and of all agents of capitalists, trusts, and monopolies.

**Mr. A. A. Drejer, Denmark:** The report and recommendations before us are concerned with one of the most interesting and, in my opinion, one of the biggest questions before this Congress and before the I.C.A. That is certainly the case in our different countries. This question represents one of the practical and really co-operative tasks that lie before us and one which we should have an opportunity to discuss under the auspices of the I.C.A. It is for that purpose that we have been elected as delegates from our various Organisations.

Whilst congratulating the Sub-Committee and the Director on the results obtained up to now, and hoping that the work will be continued until it results in a definite programme, I have a few remarks to make. Generally speaking, it is necessary to remember that this report relates to two distinct sections within the Co-operative Movement in the different countries. In addition to the Consumers' Organisations, representing the interests of the consumers, there are the Producers' Organisations representing the interests of the producers. The Producers' Organisations must fight for the interests of the producers, and they must be in competition with private enterprises, private merchants who buy the products of the agricultural producers and sell industrial products to them. It must be borne in mind in dealing with this question that there will be a direct contrast between the consumers' and the producers' interests, if both of them are undertaking their task in the right way and carrying out their duties properly.

It is the aim of the I.C.A. to find methods which will be of benefit both to producers and to consumers, and in so doing it must have in mind both sections of the Co-operative Movement. In the first instance this is usually the task of local or national bodies, but it may be that this relation between

the two branches has a special international significance. Therefore, for the I.C.A., the study of this aspect of the question is very important, and it must be approached from the producers' point of view as well as from that of the consumers. In many countries there are special organisations to deal with the matter, and in recent years special international organisations have been set up, governmental as well as non-governmental, such as the F.A.O. and the I.F.A.P. It is, however, a question which I think offers special possibilities within the Alliance, where both sections are represented. I hope that the continued study of the question will result in the finding of correct views of the potentialities of both consumers' and producers' independent organisations, each helping in the free development of the Co-operative Movement, especially on international lines and within the I.C.A.

**Mr. T. H. Gill, Great Britain:** I rise to support the policy placed before us by the Central Committee. This document is the result of much thought and consideration. It has been sifted time after time, and has been accepted by the Central Committee as an outline to be placed before this Congress. At the last moment an amendment has been presented by Mr. Sidorov. There has not been time to consider this properly, and in many respects, if it were accepted, it would cut right across the policy laid down by the Central Committee. On the face of it this amendment, like another amendment which was presented this morning, looks quite innocuous, but if we relate the amendment to the speeches that were delivered on Monday it has altogether a different significance.

I should like to ask our Russian colleagues to tell us which, in their opinion, are the States that are yearning for world supremacy. We know that it is not Russia and that it is not the States associated with Russia, but that they have in mind countries which, in our opinion, are even more democratic than Russia and those associated with her. I say to our Russian colleagues, speaking for my own country, that we are as much opposed to fascism as they and the countries associated with them are. I will say something more. It is all right to talk to-day, but which were the countries that first took up arms to fight fascism? Whose people gave their lives to fight fascism at a time when our Russian friends, who told us so many times on Monday what we ought to do, were playing hand in glove with Hitler? I do not like saying these things, but so much has been said at this Congress about only one group of countries being prepared to fight fascism, about only one group of countries putting on the white sheet and fighting war, whilst the suggestion is that the country to which I belong, and the countries to which many of you belong, are not prepared to fight fascism, that we are warmongers, and other things. I deny it. I say that we are as strong for peace in the Western countries as anybody in the Eastern countries. If we really want peace, surely the policy which has been adopted at this Congress is the worst possible policy to bring that about. I hold out the hand of friendship, goodwill, and fellowship to my colleagues from the Eastern countries. I am prepared to do anything and everything to assist them in putting their countries and their peoples into a reasonable state. But if this misrepresentation and lying about your activities and my activities are going on, is that going to bring about peace and friendliness? No! It is going to do nothing of the kind.

I therefore ask Congress to adopt the recommendations of the Central Committee; I hope that delegates will not be led away by the wording of the Russian amendment, but will stand by the Central Committee, in the hope that its policy, and the ideas that I have enunciated here this morning with regard to friendliness, goodwill, and good fellowship amongst the Co-operators of all countries shall be our policy for the future, and that this misrepresentation of one group by another for political purposes will stop in our International Co-operative Movement.

**Mr. A. Cramois, France:** Representing as I do at this Congress and on the Central Committee of the I.C.A. the French Agricultural Societies and our French Organisation of Agricultural Co-operative Credit, I have listened with great interest to the Czechoslovak proposal, put forward by Mr. Nepomucky, to create an Agricultural Co-operative Section within the I.C.A. Professor Casalini's speech, in which he very rightly emphasised the part which Agricultural Co-operation can play in the economy of war-shattered Europe, was received with approval, and as the Czech proposal, too, received warm applause, I think we may conclude that Congress recognises the full importance of Agricultural Co-operation. On behalf of the French delegation, I support the proposal of our Czech friends. Miss Polley announced this morning that a meeting of agricultural representatives will take place this evening, but I think we must go further and constitute a "permanent agricultural section" in the Alliance. Leaving to the President and the Executive the task of establishing the lines along which an effective reform can be carried out, I express the hope that the representatives of Agricultural Organisations will be many in the section of Agricultural Co-operative Societies, in order to build up a home, as Mr. Nepomucky so aptly put it, which the Alliance would open to all Agricultural Co-operators. I am sure that these tasks will be fulfilled. I am also sure that the common problems which we have to solve in the sphere of Agricultural Co-operation will be the means of establishing closer relations between the Movements of all forms and of all countries which constitute our I.C.A.

**Professor Edgard Milhaud, Switzerland:** As a Professor I have been interested for 45 years in the problems of collective-economy, and seeing that this problem now imposes itself upon the whole Co-operative Movement, I would first say with what interest I listened to the proposals which concern particularly the relations between Co-operation and the State in countries with a mixed economy.

I find a remarkable synthesis as regards all the possibilities of action which these four points offer: First, in the event of intervention from private economy, to claim the equal right of Co-operative Societies to intervene in this domain in opposition to private economy. Secondly, to mobilise to the full the power of co-operative action, by grouping all Co-operative Societies into mixed co-operative bodies. Thirdly, when public authorities have enterprises concerned with certain forms of buying with which Co-operative Societies are already concerned, to appeal to the public authorities, and bring pressure to bear by means of public opinion, that they shall enter into the bodies created by Co-operative Societies. Finally, when monopolies exist

or, to use a more general term, public bodies charged with certain economic activities, to organise the control of the consumers over the functioning of these bodies through their Co-operative Societies. That is, I would say, judging from all the studies on collective economy that I have made during many years, a remarkably valuable synthesis.

If, however, I may make one or two observations, I would first emphasise one point. When we speak of the future policy of the I.C.A., and two essential aims are presented—co-operation between Agricultural and Consumers' Co-operative Societies, and co-operation in the face of the tasks of nationalisation or collective economy—we must understand that these two points are, in fact, one whole. And in saying that, I am keeping in mind the major rôle which, in my opinion, the I.C.A. must play at the present time in all the Organisations of the United Nations dealing with economic and social problems. It is, therefore, a question of two points among others. But, if we really want to realise this programme, an urgent appeal must be made to all Co-operative Societies in all countries to unite in joint organisations as they did before the war. Finally, so far as Section B is concerned, it must not be forgotten that, if action is to be taken to influence national public authorities, it must also be taken to influence all those International Economic Organisations which exist in the world, and upon which organised Co-operative Societies must exercise their influence.

**Close of the Fifth Session.**

Wednesday, 29th September.

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## The Future Policy and Programme of the I.C.A. (*continued*).

**The President:** It will be obvious to the delegates that we are very seriously behind our time-table, and that the question of Future Policy which we are still discussing should have been concluded yesterday evening. We are more than half-a-day behind time. The Congress Committee has been considering steps which must be taken if the business of Congress is to be concluded tomorrow evening, and has decided in the first place, that the discussion on the Future Policy and Programme of the I.C.A. must be closed. Mr. Odhe will reply to the discussion, and afterwards a vote on Centrosoyus amendment will be taken.

**The Director:** My reply to the discussion will be very brief, because of the necessity of arriving at a decision on this question as soon as possible. I do not think there was any disagreement between the speakers on the appropriateness of carrying out the recommendations of the Central Committee, namely to adopt the interim statement, and to authorise the Central Committee to instruct the Sub-Committee to continue its work with a view to the submission of a final report to the next Congress.

Many interesting views were expressed on several aspects of the Future Programme and General Policy of the Alliance, and I am quite sure that this discussion will have to be taken into very careful consideration by the Sub-Committee when it resumes its work. All the speakers have agreed that this question is of the utmost importance to the Alliance, and to the planning of its activities; that it is imperative that the work of the Sub-Committee should be continued without delay, and also extended to other sections of the national economy with which it has not yet dealt.

Very great interest was expressed by some speakers in the part that agricultural co-operation is going to play in the future work of the Alliance. It has been said that there is an urgent necessity for demarcation and for co-ordination of the work of Consumers' and Agricultural Co-operative Organisations. If any conflicts should arise I feel sure that it will be possible for the Sub-Committee to find a solution of these problems, and one which, as one speaker put it, will be of great benefit both to producers and to consumers.

**The President:** We have before us the recommendations of the Central Committee and an amendment from Centrosoyus. Therefore, a card vote must be taken.

**The President** announced the result of the voting as follows: For the Amendment, 423; For the Recommendations, 526; he, therefore, **declared the Recommendations of the Central Committee adopted.**



## Amendments to the Rules.

**The President:** We now come to the amendments to the Rules, and on behalf of the Central Committee I formally move the adoption of all the amendments submitted in their name. (See pages 112-129.) Other amendments have been sent in by Y.O.L., Finland, and by Centrosoyus, U.S.S.R. The Y.O.L. amendment will first be moved and voted upon; the Centrosoyus amendments will then be moved, and, after I have replied we shall take a vote on them. There is also a French amendment to be considered.

Some further amendments have been formulated by the delegates of the Italian Lega Nazionale, but as these were handed in only this morning the Congress Committee has decided that they cannot be dealt with at this Congress.

### Amendments proposed by Yleinen Osuuskauppojen Liitto, Finland.

#### Article 2. Constituent Members.

That the present text be maintained.

#### Article 7. To be entitled "Neutrality and Independence" and to read:

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

Such neutrality on which the unity of the International Co-operative Movement depends shall be maintained in all the meetings and in all the publications of the I.C.A.

The I.C.A. shall not associate itself with any political or religious organisation.

**Mr. L. Hietanen, Finland:** The first amendment which we propose is that Article 2 should be left unchanged. With regard to our amendment to Article 7, I should like to draw attention to the fact that in this Article the word "neutrality" in two places has been changed to "independence." We think that the principle of neutrality is of the greatest importance, and therefore that the word "neutrality" should be maintained in the title of this article. There is a real need for stating the neutrality principle clearly in the Rules of the I.C.A., but the amendment put forward by the Central Committee does not make the matter very clear, since in the heading there is "Independence," in the first paragraph "neutral ground," and in the third paragraph "independence." We do not understand the exact meaning of the third paragraph.

We do not oppose the inclusion of the principle of independence in the Rules of the I.C.A., but this must not be at the expense of the principle of neutrality, as to a certain extent is the case in the proposed new version of Article 7. Our proposal is, therefore, that the title of Article 7 should be "Neutrality and Independence," that the first paragraph should be as proposed by the Central Committee; as the second paragraph, we would take the third paragraph proposed by the Central Committee, but restore the word "neutrality" in place of "independence"; as the third paragraph, we would

have the second paragraph in the proposal of the Central Committee. By the adoption of this amendment Article 7 would embody both the principles mentioned in the title, and this, we think, would add to the clarity of the Rules.

**The President:** I move that Article 2 be amended as proposed by the Central Committee, and I would point out to our Finnish friends that the change proposed is consequent upon the proposed amendment of Article 8. The second Finnish amendment concerns the difference between "neutrality" and "independence." In the opinion of the Central Committee, the true position of the I.C.A. and of all Co-operative Organisations is better indicated by saying that they are "independent" rather than that they are "neutral."

**The Finnish amendments were put to the vote, but were not carried.**

### **Amendments proposed by Centrosoyus.**

#### **Article 1. Name.**

The name of the Society, which was founded in London in August, 1895, is "International Co-operative Alliance; Alliance Cooperative Internationale; Internationaler Genossenschaftsbund; Mezdunarodny Cooperativny Alliance.

#### **Article 3. Objects.**

The I.C.A., according to the Principles of the Rochdale Pioneers, shall have the following objects:—

- (a) To unite all Co-operative Organisations of all races, nationalities, and creeds;
- (b) To struggle for lasting peace and security all over the world in collaboration with international democratic organisations struggling for the cause of peace and security;
- (c) To stimulate development of democratic co-operative movement in all countries and establish close collaboration of co-operation with other democratic organisations;
- (d) To defend all forms of democratic principles and interests of Co-operation;
- (e) To improve the work of Co-operation and to promote its influence nationally and internationally;
- (f) To promote friendly and economic relations between Co-operative Organisations of all types nationally and internationally.

#### **Article 4. Methods.**

The I.C.A. shall seek to attain these objects:

- (a) By convening periodical International Congresses (once in 2-3 years) at which all problems important to the work of the I.C.A. shall be discussed;
- (b) By collaboration with the Trade Union Federation and other democratic organisations which are struggling for peace and security all over the world;
- (c) By sending delegations to visit the movement having the object of studying the Co-operative Movement and exchanging experience:

(d) By periodic publications;

(e) By close collaboration with all United Nations Organisations which are of some importance for Co-operation;

**Article 5. Official Languages.**

English, French, German, and Russian shall be the official languages of all publications of the I.C.A.

The publications of the I.C.A. shall be issued in other languages if the affiliated Organisations interested bear the expense, or if the Central Committee decide.

**Article 7. Unity of Co-operative Movement.**

The I.C.A. regards Co-operation as a Movement in which people of the most diverse creeds and opinions may meet and act together, except fascists, whose views are contradictory to the Co-operative Movement. This unity must be based on free exchange of opinions.

**Article 8. Eligibility.**

Associations of persons or Organisations shall be eligible for membership of the I.C.A. provided they observe the Rules of the I.C.A. and the policy laid down by the Congress and executive organs of the I.C.A., pay their subscriptions regularly, and work for lasting peace and international co-operative unity.

**Article 17. Authorities.**

1. Congress. 2. Central Committee. 3. Executive Committee. 4. Managing Bureau.

**Article 20. Constitution of the Congress.**

The Congress shall consist of delegates of the Organisations affiliated to the I.C.A.

Members of the Central and Executive Committees take part in the Congress with power to give advice but without a vote, if they are not delegates. Guests invited by the Central and Executive Committees are present at the Congress without a vote and without the right to speak on the problems in discussion, except under special circumstances and with the consent of the Congress Committee.

**Article 22. Voting at Congress.**

The delegates vote by a show of hands. Each Co-operative Organisation votes as a unit and the delegates who are present and represent this Organisation have the right to use all votes belonging to this Organisation in spite of the absence of some delegates. All decisions of the Congress are accepted by the majority of two-thirds.

**Article 26. Duties of the Central Committee.**

The Central Committee shall have the following duties:—

(a) To interpret the policy and to carry out the programme of the I.C.A. established by the Congress;

(b) To elect the Executive from members of the Central Committee;

- (c) To appoint for each Congress a Congress Committee consisting of the President, Vice-President, and three other members of the Central Committee;
- (d) To confirm the budget of the I.C.A. drawn up by the Executive;
- (e) To deal with appeals and with the exclusion of members;
- (f) To work in contact with democratic organisations which struggle for peace, national independence, and sovereignty of peoples;

All problems discussed by the Central Committee are decided by the majority of two-thirds.

**Article 29. Executive.**

The Executive consists of—the President, three Vice-Presidents, General Secretary, and 17 other members elected by the Central Committee from amongst its members immediately after each Congress.

The Organisations and Unions of one country shall not have more than two representatives on the Executive.

Any member of the Executive who is prevented from attending a meeting shall have the right to appoint a substitute, who shall be a member of the Central Committee. Such appointments shall be notified to the General Secretary.

**Article 30. Duties of the Executive.**

The Executive shall have the following duties:—

- (a) To admit new members into the I.C.A.
- (b) To draw up the budget for the confirmation of the Central Committee and to control expenditure;
- (c) To prepare the Agenda for the Central Committee meetings;
- (d) To prepare and organise the Congress;
- (e) To present an annual report of its work;
- (f) To direct the collaboration of the I.C.A. with the W.F.T.U. and other international democratic organisations which are fighting for lasting peace and security all over the world.

**Article 32. The Managing Bureau of the I.C.A.**

This Bureau consists of—the President, three Vice-Presidents, and General Secretary, and conducts the current business of the I.C.A. in the intervals between the meetings of the Executive.

**Article 33. General Secretary.**

The General Secretary is the chief administrative authority of the I.C.A. and shall conduct the office work of the Alliance. He is responsible for the conduct of the current business by the decision of the Central Committee. Two assistants of the General Secretary are to be appointed from amongst the biggest National Movements. They, together with the General Secretary, will form the main staff of the I.C.A.

**Mr. A. F. Orechanov, U.S.S.R.,** interpreted from Russian: The Soviet delegation have studied very attentively the Rules of the I.C.A. as we feel that this is the main document in which the aims of co-operation are defined. We have, therefore, as I say, studied them very attentively and would like to make the following comments. Since the present Rules were adopted at the 15th Congress in 1937, more than ten years ago, many changes have taken place. The main historical events, the Hitler aggression, and the second world war, showed that the I.C.A., which was at that time led by Tanner, the famous war criminal, did not mobilise world co-operation to fight against fascist aggression. The contemporary international situation imposes new tasks, which are to fight for a lasting and democratic peace, for the strengthening of co-operation, and for the improvement of the conditions of life of the toiling masses.

Our amendments to the Rules have been circulated, and I am sure that you have read them. Our aim is to make the Rules of the Alliance more democratic. We want to increase the number of members of the Executive on behalf of the countries of the new democracy, and we want to have a new organ of the Alliance, a kind of managing bureau, consisting of the President, three Vice-Presidents, and the General Secretary. We are absolutely opposed to Article 33 as put forward by the Central Committee, which provides the new post of Director because we think that the introduction of this post is a violation of democratic principles. Many of our friends know that at the meeting of the Central Committee in Rome we expressed our opinion on this subject. We should like to secure in our International Alliance the principles of mutual respect and understanding, and we ask you to accept our amendments.

**The President:** I appreciate very much the brevity with which Mr. Orechanov has dealt with this question. He is well acquainted with the Rules of the Alliance, because at the Rome meeting he was chiefly responsible for submitting the amendments of Centrosoyus, and I recall that he put very clearly before us the differences between their proposals and ours, which helped us greatly in getting a clear understanding of the situation.

I want to give Congress one or two reasons which made it quite impossible for the Central Committee to accept the Centrosoyus amendments, and which lead me to urge with all the force at my command that Congress will reject them.

Let me refer you to Article 8, Eligibility. The Central Committee in their proposals have taken extreme care to define the types of Co-operative Organisations which shall be eligible for membership of the Alliance. We believe that an International Co-operative Alliance should restrict its membership to Co-operative Organisations; but look at the Centrosoyus amendment! It says: "Associations of persons or organisations shall be eligible for membership of the I.C.A. provided they observe the Rules of the I.C.A.", and so on. There is no real definition of any type of Organisation. It need not be a co-operative organisation; it could be a church choir or a football club or any other body of individuals not connected with the Co-operative Movement, provided they were prepared to observe the Rules of the Alliance. This is clearly shown by the wording of the Centrosoyus amendment, and I say frankly that it is impossible for the I.C.A. to accept a rule

of that character. Next, I would refer to Article 28. The Russian amendment provides that instead of a bare majority, a two-thirds majority will be required to adopt a resolution. If such a rule had been in operation at this Congress, not one single decision would have been reached. In fact, this proposal of Centrosoyus would be the finest way of preventing the Alliance doing anything whatever. If you want the Alliance to be ham-strung, I advise you to adopt this amendment, because then it will be incapable in the future of taking any decision whatever.

Next I would refer to the Article dealing with the constitution of the Executive. The Central Committee are proposing that the Executive shall consist of the President, two Vice-Presidents, and eleven members, a total of fourteen. We are increasing the number of members from eleven to fourteen because we think that that is desirable in these days, but we are not prepared to accept an Executive of twenty-two members. We feel that the proposal that we have made, for fourteen members, will provide a body which is quite large enough to conduct the affairs of the Alliance.

The Soviet amendment to Article 32 suggests that there should be a Managing Bureau, consisting of the President, three Vice-Presidents, and the General Secretary, which would conduct the business of the I.C.A. in the intervals between the meetings of the Executive. The members of the Executive are all extremely busy people, and I can tell you from my twenty years' experience that it is often very difficult indeed to get a full attendance of the Executive owing to the very many duties which its members have to undertake. How can one think, then, that it would be possible for the work of the Alliance to be passed over to a Bureau which would be called upon to meet more frequently than its members are at present required to meet?

The amendment which offends me most, however, is that embodied in Article 33, which says, among other things, that two assistants of the General Secretary are to be appointed from amongst the biggest National Movements. I would remind Congress that Mr. Orechanov stressed that the aim of the Soviet amendments is to make the Rules of the I.C.A. more democratic. That is called a democratic amendment! I am, unfortunately, retiring from the Central Committee at this Congress, but if I were not, and that rule were adopted, I should refuse to be associated with a so-called democratic organisation which bowed down to the mighty! On behalf of the Central Committee, I ask you to reject the whole of the Soviet amendments, which will now be put to a vote.

After the votes had been counted, The President announced that the Centrosoyus amendments were rejected by 435 votes For to 556 votes Against.

#### **Amendment proposed by Fédération Nationale des Coopératives de Consommation, Paris.**

##### **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 which aims at the economic and social betterment of its members through the development of an enterprise based upon mutual aid, and which conforms to the Principles of Rochdale, particularly as regards:—**

**Voluntary membership.**

**Democratic control by the free and equal election by the members of the administrative organs of the Association.**

**Distribution of the surplus to the members in proportion to their participation in the social transactions or the social services of the Association.**

**Limited interest on capital.**

**Subject to compliance with these conditions, the types of Association eligible for membership should include the following: ("a" to "j" as proposed by the Central Committee's amendment).**

**Dr. G. Fauquet, France:** The essential aim of the amendment presented by the French delegation is to give greater precision to Article 8 which defines the characteristics required in Organisations which wish to be admitted to the I.C.A. The precision that we wish to introduce is taken from the former text of Article 8, which said: "The following are eligible to be admitted as members of the Alliance: . . . . All other associations of persons that have for their object the social and economic amelioration of their members by the promotion of undertakings on the basis of mutual self-help . . . ."

This formula defines in a general way what a Co-operative Society is. The idea is beginning to spread throughout the whole world, for most of the latest co-operative legislation has accepted this definition. I can quote particularly legislation concerning Co-operative Societies in African territories, Tanganyika, and also the recent laws in Czechoslovakia. In introducing this provision into Article 8, we are not proposing to delete any one paragraph of the amendment proposed by the Central Committee. Our amendment, which has been circulated, is an addition, not an excision.

**A vote was taken on the French amendment, which The President declared was adopted by 573 votes For to 400 votes Against.**

**The President:** Will Congress now approve the amendments to the Rules proposed by the Central Committee?

**After a show of hands, The President declared the Rules amended as proposed by the Central Committee, and by the French proposal.**

PRESENT TEXT.

**Article 1. Name.**

*The name of this Society, which was founded in London, 1895, is the International Co-operative Alliance (Alliance Coopérative Internationale; Internationaler Genossenschaftsbund).*

*The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers, seeks, in complete independence and by its own methods, to substitute for the present competitive régime of private enterprise a co-operative system organised in the interests of the whole community and based upon mutual self-help.*

**Article 2. Constituent Members.**

*The Alliance is an International Association formed of National Unions or National Federations of Co-operative Societies; National Federations of Co-operative Unions; Regional Unions or Regional Federations of Co-operative Societies; Co-operative Societies; and recognised National Auxiliary Organisations of the affiliated National Unions or Federations having national dimensions.*

**Article 3. Objects.**

*The Alliance has the following objects:—*

- (a) The ascertaining and propoganda of co-operative principles and methods.*
- (b) The promotion of co-operation in all countries.*
- (c) The maintenance of friendly relations between the members of the Alliance.*
- (d) The safeguarding of the interests of the Co-operative Movement and consumers in general.*
- (e) The provision of information and the encouragement of studies concerning Co-operation.*
- (f) The promotion of trading relations between the Co-operative Organisations of the various countries.*

**Article 4. Methods.**

*The Alliance seeks to attain its objects:—*

- (a) By the convening of periodical International Congresses.*
- (b) By the issue of a journal and of other publications.*
- (c) By the collection of all publications, documents, designs, photos, &c., concerning the Co-operative Movement.*
- (d) By the carrying out of enquiries and the preparation of international statistics.*
- (e) By organising the collection and dissemination of information on the economic needs of the different countries with a view to the formation of an organisation for international exchange on a co-operative basis and, in addition, by establishing relations with the International Commercial Organisations which may be entrusted with that task.*
- (f) By special collaboration with other International Organisations pursuing aims of importance to Co-operation.*
- (g) By any other suitable and legal means.*

**Article 5. Official Languages.**

*English, French, and German are regarded as the languages to be used by the authorities of the Alliance in their communications and publications.*

*The communications and publications of the Alliance may also be issued in other languages if the members interested bear the expense, or if the Central Committee so decide.*



# Rules of the I.C.A.

## Central Committee.

### PROPOSED TEXT.

#### Article 1. Name.

The name of this Organisation, which was founded in London, August, 1895, is the International Co-operative Alliance, I.C.A. (Alliance Coopérative Internationale, A.C.I.; Internationaler Genossenschaftsbund, I.G.B., Mezdunarodny Kooperativny Alliance, M.C.A.).

The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers and in accordance with their principles, seeks, in complete independence and by its own methods, to substitute for the profit-making régime a co-operative system organised in the interests of the whole community and based upon mutual self-help.

#### Article 2. Constituent Members.

The I.C.A. is an International Association formed of National Unions of Co-operative Societies; National Federations of Co-operative Unions; Regional Federations or Unions of Co-operative Societies; Recognised Auxiliary Organisations of affiliated National Unions or Federation; Co-operative Societies; Associations of persons or Organisations which comply with the conditions laid down in Article 8.

#### 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 the Principles of Rochdale.
- (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 4. Methods.

The I.C.A. shall seek to attain its objects:—

- (a) By convening periodical International Congresses.
- (b) By sending delegations to visit the Movements in all countries and to give such advice and guidance as the Movements shall desire.
- (c) By issuing publications.
- (d) By promoting the teaching and study of Co-operation in all countries.
- (e) By developing the activity of the Henry J. May Foundation, Permanent Centre of International Co-operative Study.
- (f) By carrying out research studies and enquiries on problems of vital importance to the Movement; and by collecting co-operative statistics.
- (g) By promoting the creation of International Co-operative Auxiliary Organisations for Trading; Production—Agricultural, Industrial, and Artisanal; Banking; Credit; Assurance; as well as for other sectors of economic activity; and by maintaining close relations with all such Auxiliaries.
- (h) By collaborating to the fullest extent with all United Nations Organisations, and with other Voluntary and non-Governmental International Organisations which pursue aims of importance to Co-operation.
- (i) By any other suitable and legal method.

#### 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.

## PRESENT TEXT.

### **Article 6. The Seat of the Alliance.**

*The seat of the Alliance shall be situated in such country and at such place as the Congress may determine from time to time.*

### **Article 7. Neutrality.**

*The Alliance concerns itself with neither politics nor religion. 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.*

*Such neutrality, on which the unity of the International Co-operative Movement depends, shall be maintained in all the meetings and in all the publications of the Alliance and its authorities.*

### **Article 8. Eligibility.**

*The following are eligible to be admitted as members of the Alliance:—*

- (a) National Unions or National Federations of Co-operative Societies.*
- (b) National Federations of Co-operative Unions.*
- (c) Regional Unions or Regional Federations of Co-operative Societies.*
- (d) Co-operative Societies.*
- (e) Recognised National Auxiliary Organisations of the affiliated National Unions or Federations having national dimensions.*

*The following are considered as Co-operative Societies in the sense of Article 2 irrespective of their legal constitution:—*

- I. Consumers' Co-operative Societies which conform to the Principles of Rochdale, particularly as to—*
  - Open Membership.*
  - Democratic Control (One Man, One Vote).*
  - Distribution of the Surplus to the Members in Proportion to their Transactions.*
  - Limited Interest on Capital.*

*II. All other associations of persons that have for their object the social and economic amelioration of their members by the promotion of undertakings on the basis of mutual self-help, and which in practice observe the principles established by the rules of the I.C.A. and the resolutions of its Congresses.*

### **Article 9. Applications for Membership.**

*Organisations desirous of joining the International Co-operative Alliance must apply to the Executive Committee on the proper form (to be obtained from the General Secretary), sending two copies of their rules and of their last annual report and balance sheet. Except in the case of Societies recommended by Unions already members of the Alliance, the Executive shall enquire of the members of the Central Committee representing the country to which the applicants belong as to their suitability for admission. Organisations under sub-sections (c), (d), and (e) of Article 8 must apply through a National Union or Federation, member of the Alliance, in the country to which they belong.*

*In any country where no such Union exists, application may be made direct to the Executive Committee.*

## PROPOSED TEXT.

### **Article 6. The Seat of the I.C.A.**

The seat of the I.C.A. shall be situated in such country and at such place as the Congress shall determine.

### **Article 7. Independence.**

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.

The I.C.A. shall not associate itself with any political or religious organisation.

Such independence, on which the unity of the International Co-operative Movement depends, shall be maintained in all the meetings and in all the publications of the I.C.A.

### **Article 8. Eligibility.**

Associations of persons or Organisations shall be eligible for membership of the I.C.A., provided that they observe the Objects of the I.C.A. and the Policy laid down by its Congress, and conform to the Principles of Rochdale, particularly as regards—

Voluntary membership.

Democratic control (election of the administrative organs by the members freely and on the basis of equality).

Distribution of the surplus to the members in proportion to their participation in the social transactions or the social services of the Association or Organisation.

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.

### **Article 9. Applications for Membership.**

Organisations desirous of becoming members of the I.C.A. shall apply to the Executive on the proper form to be supplied by the General Secretary, and shall send with their applications two copies of their Rules, their last Annual Report and Balance Sheet. If the language in which the Rules are printed is not one of the official languages of the I.C.A., a translation thereof in English, French, German, or Russian shall be supplied.

Organisations of the types mentioned in sub-sections (c), (d), (e), (f), (g), (h), and (i) of Article 8 shall apply through the National Union of their respective country, if such Union is already in membership with the I.C.A.

Before any application is submitted to the Executive the General Secretary shall make all appropriate enquiries as to the suitability of the Organisation concerned to be admitted to membership of the I.C.A.

## PRESENT TEXT.

### Article 10. Right of Appeal.

*If the Executive Committee declines to admit any Organisation it has the right of appeal to the Central Committee.*

### Article 11. Cessation of Membership.

*Membership ceases—*

*(a) By voluntary resignation, notice of which is to be given at least three months before the end of the financial year.*

*(b) By non-payment of subscriptions. A member which has been requested in two successive years to send in its subscription and has not done so shall be removed from the list of members.*

*(c) By resolution of the Central Committee, members which act contrary to the interests or rules of the International Co-operative Alliance, or whose activity is inconsistent with the principles of the Alliance, may be excluded.*

### Article 12. Rights of Members.

*The rights acquired by admission to the Alliance can be exercised by the members as soon as they have fulfilled their obligations to the Alliance.*

*The members of the Alliance are entitled—*

*(a) To take part in the Congresses and to submit motions through their delegates elected in accordance with these Rules.*

*(b) To use the institutions established by the Alliance in accordance with the regulations prescribed.*

*(c) To receive the publications of the Alliance gratis, except such as the Executive may decide to issue for special payment.*

### Article 13. Obligations.

*The members of the Alliance are required:—*

*(a) To pay an annual subscription according to the provisions of Articles 15 and 16.*

*(b) To supply the Alliance with their annual reports and their other publications free of charge.*

*(c) To supply, as far as possible, such information as may be desired to the authorities of the Alliance.*

## PROPOSED TEXT.

### Article 10. Right of Appeal.

In the event of the Executive rejecting an application, the Organisation in question shall have the right of appeal to the Central Committee.

### Article 11. Cessation of Membership.

Membership of the I.C.A. shall cease:—

(a) By voluntary resignation: notice of which shall be given by the Organisation concerned at least three months before the end of the financial year of the I.C.A.

(b) By non-payment of subscriptions: any Organisation which in two successive years has not paid its subscription, or made a specific request to the Executive for leniency, shall be removed from the list of members.

(c) By resolution of the Central Committee: any Organisation which acts contrary to the interests or Rules of the I.C.A., or whose activity is inconsistent with the Objects of the I.C.A., shall be excluded from membership.

### Article 12. Rights of Members.

Subject to the satisfactory and up-to-date fulfilment of their financial obligations to the I.C.A., membership shall have the right:—

(a) To take part in the Congress in accordance with Articles 19, 22, 23, and 24 of these Rules.

(b) To nominate representatives to the Central Committee in accordance with Article 26.

(c) To receive from the Secretariat of the I.C.A. all appropriate services, advice, &c.

(d) To collaborate in any of the Auxiliaries of the I.C.A. in accordance with their constitution and rules.

### Article 13. Obligations of Members.

Every Organisation affiliated to the I.C.A. shall have the following obligations:—

(a) To pay, during the first three months of each financial year, an annual subscription according to the provisions of Articles 16 and 17, and in the case of Organisations paying a Collective subscription (Article 17, III) to declare the basis upon which it is calculated.

(b) To supply the I.C.A. with its Annual Report.

(c) To send for the Library of the I.C.A. a gratis copy of all literary works published by it; to inform the I.C.A. of books published in its respective country which are of special interest or importance either for the work or Library of the I.C.A. (if possible to supply the I.C.A. with such books).

(d) To appoint a Correspondent who shall be responsible for sending to the I.C.A. regularly—for the purpose of its publications, for the information of its Authorities, or for its documentation—full information concerning national co-operative developments, as well as all legislative or other actions and decisions on the part of the Public Authorities which directly or indirectly affect the activity and life of the Co-operative Movement.

(e) To supply, as far as possible, all information that shall be requested by the Authorities of the I.C.A.

(f) To take all such action as shall be recommended by the Authorities of the I.C.A. in support of its policy, and for the implementation of the decisions of its Congress and Committees.

(g) To give such support to the publications of the I.C.A. that their sale shall become a source of revenue to the I.C.A.

## PRESENT TEXT.

### Article 14. Financial Year.

All subscriptions are due on 1st January in each year. Organisations admitted to membership after 30th June in any year shall only be required to pay one-half of the annual subscription in respect of that year.

The financial year ends on 31st December.

### Income.

The income of the Alliance is derived from:—

- (a) The subscriptions of the members.
- (b) The receipts derived from the sale of the publications of the Alliance.

### Article 15. Subscriptions.

Every member of the Alliance shall pay an annual subscription in proportion to its development and economic importance. The amount of this subscription shall be left to the members themselves, provided that it shall not fall below the minimum fixed in Article 16.

The subscriptions must be sent, without deduction for postage, to the office of the International Co-operative Alliance.

### Article 16. Rate of Subscriptions.

I. The subscription payable by any Union, Federation, or Society admitted to membership of the Alliance shall be fixed at a rate per cent of the turnover, but with a different rate for Retail and Wholesale Societies.

The date at which this basis shall come into operation and the rates of subscription shall be decided by the Central Committee. Until the Central Committee so decide the subscriptions shall be calculated as follows:—

### Individual Membership.

II. The minimum 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 (e) of Article 8 shall be £80.

The minimum subscription for each Society admitted under sub-section (d) of Article 8 shall be in accordance with the following scale:—

£2	if the membership does not exceed	1,000		
£4	„	„	is between	1,001 and 3,000
£6	„	„	„	3,001 „ 5,000
£10	„	„	„	5,001 „ 10,000
£20	„	„	„	10,001 „ 25,000
£30	„	„	„	25,001 „ 50,000
£40	„	„	„	50,001 „ 100,000
£80	„	„	„	100,001 „ 200,000
£100	„	„	more than	200,000

## PROPOSED TEXT.

### Article 14. Financial Year.

The financial year commences on 1st January and ends on 31st December.

### Article 15. Income.

The income of the I.C.A. shall be derived from:—

- (a) The subscriptions of its affiliated Organisations.
- (b) The sale of its publications.
- (c) Gifts and legacies.

### Article 16. Subscriptions.

Every Organisation affiliated to the I.C.A. shall pay an annual subscription in proportion to its development and economic importance. The amount of its subscription shall be decided by each member, provided that it shall not fall below the minimum laid down in Article 17.

Subscriptions shall be due on the 1st January in each year, and shall reach the office of the I.C.A. during the first three months of the year.

The amount of subscription due from any Organisation whose remittance has not reached the I.C.A. by the 31st March in any year shall be fixed by the General Secretary according to Article 17 (in the case of a Collective subscription on the basis of the latest membership figures of the respective Organisation known to the I.C.A.) and shall be notified to the Organisation concerned with a demand for payment within three months.

### Article 17. Rate of Subscriptions.

I. The minimum 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 minimum 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 £80.

The minimum 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:—

£2	if the membership does not exceed	1,000		
£4	“	“	is between	1,001 and 3,000
£6	“	“	“	3,001 “ 5,000
£10	“	“	“	5,001 “ 10,000
£20	“	“	“	10,001 “ 25,000
£30	“	“	“	25,001 “ 50,000
£40	“	“	“	50,001 “ 100,000
£80	“	“	“	100,001 “ 200,000
£100	“	“	is more than	200,000

PRESENT TEXT.

**Article 16. Rate of Subscriptions—continued.**

**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—is acquired by a minimum subscription of £80 in respect of the Union or Federation concerned, and a further £40 in respect of each National Organisation included in its membership, with the addition of a contribution for each other constituent Society member in accordance with the following scale:—*

£	s.	d.				
0	3	0	if the average number of members does not exceed	300		
0	7	6	“	“	is between	301 and 600
0	15	0	“	“	“	601 “ 1,000
1	1	0	“	“	“	1,001 “ 2,000
1	10	0	“	“	“	2,001 “ 3,000
2	0	0	“	“	“	3,001 “ 5,000
2	10	0	“	“	“	5,001 “ 10,000
3	0	0	“	“	“	10,001 “ 15,000
4	0	0	“	“	exceeds	15,000

*IV. No National Organisation shall be obliged to pay more than £5,000.*

**Article 17. Authorities.**

*The Authorities of the Alliance are:—*

- (a) *The Congress.*
- (b) *The Central Committee.*
- (c) *The Executive Committee.*
- (d) *The General Secretary.*

**Article 18. Congress Convocation.**

*The Congress shall be convened, as a rule, at intervals of two to three years. The meeting place of Congress shall be decided, when possible, by the previous Congress; failing that, by the Central Committee.*

*The date and the agenda shall be decided by the Central Committee.*

*Notification of the date and place of the meetings of Congress, together with a copy of the Agenda, the Report of the Central Committee to Congress, and Special Reports approved by the Central Committee, and all resolutions sent in to the General Secretary under Article 23(a), together with printed forms for returning the names of delegates, shall be issued to every member of the Alliance three months before the assembling of Congress. All propositions and amendments on any of these matters must be sent to the General Secretary not less than seven weeks before the Congress in order that they may be distributed to each delegate at the same time as the Final Agenda.*

*The return of the names of delegates must be received at the office of the Alliance at least one month before the Congress.*





## PRESENT TEXT.

### **Article 19. Powers.**

*The Congress is the highest authority of the Alliance.*

*It has especially the following powers:—*

- (a) To elect the Central Committee from the candidates proposed by the representatives of the different countries.*
- (b) To confirm the reports and accounts.*
- (c) To decide the seat of the Alliance and the place of the next Congress.*
- (d) To decide upon alterations of rules and the dissolution of the Alliance.*
- (e) To establish the principles of the Alliance.*
- (f) To decide upon the proposals submitted by the Central Committee and by the members of the Alliance.*

### **Article 20. Constitution.**

*The Congress consists of:—*

- (a) The delegates of the constituent members of the Alliance.*
- (b) The members of the Central Committee.*

*The Central Committee is empowered to grant other persons admission to the Congress, but such persons shall have no right to vote. Under special circumstances, however they may, with the consent of the Congress Committee, take part in the discussions.*

### **Article 21. Representation.**

*Representation at Congress, subject to the full discharge of all obligations to the I.C.A., shall be accorded on the following basis, provided that no country or Union of countries shall exercise more than one-fifth of the total voting power of the Congress:—*

*1. National Organisations admitted under sub-sections (a) and (b) and National Auxiliary Organisations admitted under sub-section (c) of Article 8, and on the basis of "Individual Membership," Article 16 (II), shall be entitled to appoint two delegates to Congress.*

*2. Organisations admitted under sub-sections (c) and (d) of Article 8 shall be grouped nationally, and each national group accorded representation at Congress on the basis of one delegate for each complete 25,000 members*

*3. National Organisations admitted under sub-sections (a) and (b) of Article 8, and on the basis of collective membership, Article 16 (III), shall be entitled to appoint two delegates in respect of membership and one additional delegate for each complete 25,000 members belonging to their affiliated Societies.*

*Provided that, when the Central Committee decide that the subscriptions to the Alliance shall be based upon turnover, as provided in Article 16 (I), the basis of representation at Congress shall be changed from membership to subscription.*

### **Article 22. Voting.**

*Each Organisation shall be entitled to one vote for each delegate appointed under Article 21.*

*Organisations which are entitled to more than one vote may entrust all their votes to one or more delegates, provided, however, that no delegate may hold more than ten votes.*

### **Article 23. Motions.**

*(a) Motions of constituent members which are to be dealt with at the Congress, to be included in the preliminary Agenda issued under Article 18, must be presented in writing to the Executive Committee at least four months before the meeting of the Congress.*

*(b) The Executive Committee may admit additional motions for the Agenda of Congress which are received at least one month previous to the assembling of the Congress.*

*(c) Matters of urgent importance arising subsequently may be submitted to the Congress Committee, who shall decide whether they are in order and of sufficient urgency and importance to be submitted to the Congress.*

## PROPOSED TEXT.

### **Article 20. Powers of the Congress.**

The Congress, which is the highest Authority of the I.C.A., shall have the following powers:—

- (a) To approve the Report of the Central Committee on the Work of the I.C.A. since the previous Congress.
- (b) To elect the Central Committee from the nominations received in accordance with Article 26.
- (c) To decide upon all motions and resolutions presented by the Central Committee, or by affiliated Organisations under Article 24.
- (d) To establish the Policy and Programme of the I.C.A.
- (e) To amend the Rules.
- (f) To decide the Year and Place of the next Congress.
- (g) To determine the Seat of the I.C.A.
- (h) To decide upon the Dissolution of the I.C.A.

### **Article 21. Constitution of the Congress.**

The Congress shall consist of the delegates of the Organisations affiliated to the I.C.A.

The Central Committee shall have the right to grant other persons admission to the Congress but without the right to speak, except under special circumstances and with the consent of the Congress Committee.

### **Article 22. 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 17 (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 17 (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.

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 23. Voting at Congress.**

Organisations shall be entitled to one vote for each delegate appointed under Article 22. They shall have the right to entrust all their votes to one or more delegates, provided that no delegate shall hold more than ten votes.

### **Article 24. Motions.**

(a) Motions of affiliated Organisations to be included in the Provisional Agenda issued under Article 19 shall be sent in writing to the Executive at least four months before the date of the Congress.

(b) The Executive shall have the right to admit additional motions for the Final Agenda which are received at least one month before the Congress.

(c) Matters of urgent importance which arise subsequently shall be submitted to the Congress Committee, who shall decide whether they are in order and of sufficient urgency and importance to be submitted to Congress.

## PRESENT TEXT.

### **Article 24. Congress Reception Committee.**

*The National Unions or Federations, members of the Alliance, of the country in which the Congress is to be held, shall appoint a Reception Committee to make all the necessary arrangements for the Congress. This Committee shall include the representatives on the Central Committee of the country in question and such other officers of the Alliance as the Executive may deem necessary.*

### **Article 25. Central Committee.**

*The Central Committee shall consist of representatives nominated by the affiliated National Organisations in the different countries or Unions of countries and elected by the Congress.*

*Each such National Organisation, subject to the full discharge of all its obligations to the Alliance, shall be entitled to one representative in respect of its membership, and one representative for the first complete £200 of subscription. It shall have an additional representative for each further £200 of subscription, provided that no country or Union of countries shall have more than ten representatives.*

*Any number of representatives of any country or Union of countries, not exceeding the maximum to which it is entitled, may exercise the full power of the country or Union of countries.*

*If more than one National Organisation in any country is admitted to membership of the Alliance the allocation of the representation on the Central Committee shall be calculated with regard to the total subscriptions in respect of that country. In such cases the representation shall be divided proportionately between the National Organisations.*

*All cases of dispute as to the allocation of representatives shall be decided by the Executive, subject to appeal to the Central Committee.*

*At each Congress the members of the Central Committee shall retire, but shall be eligible for re-election.*

### **Article 26. Duties.**

*The Central Committee has the following duties:—*

*(a) To decide the Agenda and the date of the Congress and to report on all matters submitted to it.*

*(b) To confirm the budget and programme of work of the Alliance.*

*(c) To elect the Executive Committee, to appoint the General Secretary and other principal officials, and to fix their remuneration.*

*(d) To deal with appeals and grievances and the exclusion of members.*

*(e) To confirm agreements which impose permanent obligations on the Alliance.*

*(f) To decide the dates and places of the Central Committee meetings.*

*(g) To appoint the Auditor to examine the accounts.*

*(h) To decide on any matters not provided for in the rules.*

*(j) To appoint a Congress Committee, who shall decide on the admission of urgent motions submitted under Article 25 (c), and shall assist the President in any matters of procedure which may arise during the deliberations of the Congress. The Congress Committee shall consist of the President, the two Vice-Presidents, and three other members of the Central Committee.*

*All questions on which the Central Committee vote shall be decided by a bare majority of the votes cast.*

## PROPOSED TEXT.

### **Article 25. Congress Reception Committee.**

The National Unions or Federations, members of the I.C.A. in the country in which the Congress is to meet, shall appoint a Reception Committee to make all the necessary local arrangements for the assembling of the Congress and to facilitate the fulfilment of its functions.

The Reception Committee shall include the representatives on the Central Committee of the country in question and such officers of the I.C.A. as the Executive shall decide.

### **Article 26. 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.

Any number of representatives of an affiliated Organisation not exceeding the number to which it is entitled shall have the right to exercise the full voting power of the Organisation.

If more than one National Organisation in any country is admitted to membership representation on the Central Committee shall be calculated with regard to their total subscriptions, and shall be divided proportionately between the National Organisations by mutual agreement.

All cases of dispute as to the allocation of representatives shall be decided by the Executive, subject to appeal to the Central Committee.

At each Congress the members of the Central Committee shall retire, but shall be eligible for re-election.

### **Article 27. Duties of the Central Committee.**

The Central Committee shall have the following duties:—

(a) To interpret the Policy and to carry out the Programme of the I.C.A. established by the Congress.

(b) To elect the President and the two Vice-Presidents of the I.C.A., also the Executive.

(c) To appoint the Director and the General Secretary of the I.C.A., also other principal officials, and to fix their remuneration.

(d) To appoint the Auditor.

(e) To confirm the budget of the I.C.A. drawn up by the Executive.

(f) To decide the Agenda and the date of the Congress, and to report on all matters submitted to Congress.

(g) To appoint for each Congress a Congress Committee consisting of the President and Vice-Presidents, and three other members of the Central Committee, who shall decide on the admission of urgent motions submitted under Article 24 (c), and shall assist the President in any questions of procedure which arise during the Congress.

(h) To confirm agreements which impose permanent obligations upon the I.C.A.

(i) To deal with appeals and with the exclusion of members.

(j) To decide on matters not provided for in the Rules.

## PRESENT TEXT.

### **Article 27. Meetings.**

*The Central Committee shall meet at least once a year, also—*

*(a) On the proposal of one-fifth of its members and if the majority voting agree to the proposal.*

*(b) On the resolution of the Executive Committee.*

*(c) Compulsorily, at the request of one-third of its members.*

*The Central Committee must hold a sitting immediately before and after every Congress.*

*It may take decisions by means of correspondence.*

### **Article 28. Election of Officers.**

*The Central Committee at its meeting immediately after each Congress shall elect from amongst its members a President (who shall be President of the International Co-operative Alliance and who shall preside over the Congress) and two Vice-Presidents.*

### **Article 29. Executive Committee.**

*The Executive Committee shall consist of the President, two Vice-Presidents, and eight other members elected by the Central Committee from amongst its members immediately after each Congress. Any member who is prevented from attending a meeting of the Executive may appoint a substitute, who must be a member of the Central Committee.*

### **Article 30. Duties.**

*The Executive Committee has the following duties:—*

*(a) To admit new members into the Alliance.*

*(b) To prepare and organise the Congress.*

*(c) To convene the Central Committee and prepare the Agenda for its meetings.*

*(d) To draw up the budget and to control expenditure.*

*(e) To decide on any matter not provided for by the Central Committee.*

### **Article 31. Meetings.**

*The Executive Committee shall meet as often as the circumstances demand, but at least every three months.*

*It shall fix at each meeting the date and place of the next meeting.*

*It is empowered to take decisions by means of correspondence, which shall be reported to the Central Committee.*

*It shall submit to the Central Committee an annual report on its work, and on the Co-operative Movement in all countries.*

## PROPOSED TEXT.

### **Article 28. Meetings of the Central Committee.**

The Central Committee shall meet at least once a year, also:—

(a) On the proposal of one-fifth of its members and if the majority voting agree to the proposal.

(b) On the recommendation of the Executive Committee.

(c) Compulsorily, at the request of one-third of its members.

The Central Committee shall hold a meeting immediately before and after each Congress.

It shall have the right to take decisions by means of correspondence.

All questions on which the Central Committee vote shall be decided by a majority of the votes cast.

### **Article 29. Election of Officers.**

The Central Committee at its meeting immediately after each Congress shall elect from amongst its members a President (who shall be President of the I.C.A. and who shall preside over the Congress and over the meetings of the Central Committee and Executive) and two Vice-Presidents.

### **Article 30. Executive.**

The Executive shall consist of the President, two Vice-Presidents, and eleven other members elected by the Central Committee from amongst its members immediately after each Congress.

The Organisations of one country, or Union of countries, shall not have more than two representatives on the Executive, excluding the President of the I.C.A.

Any member of the Executive who is prevented from attending a meeting shall have the right to appoint a substitute, who shall be a member of the Central Committee. Such appointments shall be notified to the General Secretary.

### **Article 31. Duties of the Executive.**

The Executive shall have the following duties:—

(a) To admit new members into the I.C.A.

(b) To draw up the budget for confirmation by the Central Committee and to control expenditure.

(c) To prepare the Agenda for the meetings of the Central Committee.

(d) To prepare and organise the Congress.

(e) To present to the Central Committee an Annual Report of its work.

(f) 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.

(g) To control the affairs of the I.C.A. between the meetings of the Central Committee.

(h) To deal with all questions referred to it by the Central Committee.

### **Article 32. Meetings of the Executive.**

The Executive shall meet as often as circumstances demand, but shall as far as possible decide on each occasion the date of the next meeting.

Meetings shall also be convened at the request of one-third of the members, by decision of the President, the Director, and the General Secretary.

The Executive shall have the right to take decisions by means of correspondence.

## PRESENT TEXT.

### **Article 32. The General Secretary.**

*The General Secretary is charged with the execution of the decisions of the Congress, the Central Committee, and the Executive, and with the conduct of the current business of the Alliance in the intervals between the meetings.*

*He is responsible for the preparation of the minutes of all meetings, and has in particular the following duties and obligations:—*

- (a) To take part in the meetings of the authorities of the Alliance with power to give advice but without a vote.*
- (b) To conduct the office work of the Alliance.*
- (c) To edit the organ of the Alliance.*
- (d) To manage the funds according to the Budget.*
- (e) To appoint the office staff.*
- (f) To furnish an annual report of his work.*

### **Article 33. Powers of National Unions and Federations.**

*The Committees of the National Unions and Federations in the various countries are to be consulted by the authorities of the Alliance concerning all matters which affect their respective countries.*

*They have in particular the following obligations and powers:—*

- (a) To propose to the Congress the representatives to the Central Committee to which their country may be entitled under Article 25.*
- (b) To nominate substitutes for those members of the Central Committee who have retired before the expiry of their term of office, or whose mandate has been withdrawn by their Organisation with the consent of the Central Committee, or who are prevented from attending a meeting.*
- (c) To act as channels of communication between the Alliance and their own members and ensure the fulfilment of their duties.*
- (d) To accredit delegates to Congress as representatives of their Organisation.*
- (e) To nominate correspondents for the journal of the Alliance.*
- (f) To make suggestions to the Central Committee as to matters to be dealt with at the Congress.*
- (g) To furnish a yearly report on their work and on the general situation of Co-operation in their country.*

### **Article 34. Expenses of the Authorities.**

*The expenses incurred by the members of the Central Committee and of the Executive by taking part in the meetings and attending Congress must be defrayed by the Organisations which they represent, until such time as the Alliance is able to bear the expense.*



PROPOSED TEXT.

**Article 33. The Director and the General Secretary.**

The Director shall be responsible for the necessary action to give effect to the decisions of the Congress, the Central Committee and the Executive, and for the Control of the affairs of the I.C.A. in the intervals between meetings of the Executive.

In particular he shall have the following duties and obligations:—

To take part in the meetings of the Authorities of the I.C.A. with power to give advice but without a vote.

To represent the I.C.A. whenever the Executive may so decide at meetings of the United Nations Organisations and of other Voluntary and non-Governmental Organisations with which the I.C.A. shall have established relations.

To maintain relations between the I.C.A. and its members and to undertake such visits to National Movements, affiliated and non-affiliated, as the Executive may determine.

To edit the publications of the I.C.A.

To appoint the office staff.

To furnish an Annual Report of his work.

The General Secretary shall have the following duties:—

To carry out the duties of the Director in his absence.

To conduct the general work of the Secretariat.

To take part in the meetings of the Authorities of the I.C.A. with power to give advice but without a vote, and to prepare the Minutes of all meetings.

To manage the funds according to the budget, and having regard to the decisions of the Central Committee and the Executive.

**Article 34. Powers of National Unions and Federations.**

In addition to the rights of members laid down in Article 12. the National Organisations affiliated to the I.C.A. shall have the following powers:—

(a) To nominate representatives to the Central Committee in accordance with Article 26.

(b) To nominate substitutes for their representatives on the Central Committee who shall have died or retired before the expiry of their term of office, or whose mandate shall have been withdrawn with the consent of the Central Committee, or who shall be prevented from attending a meeting of the Committee.

(c) To appoint delegates to Congress in accordance with Article 22.

(d) To submit proposals for consideration by the Executive, the Central Committee, or the Congress.

**Article 35. Expenses of Members of the Authorities.**

The expenses incurred by members of the Central Committee and of the Executive in attending meetings of the Committees, and the Congress of the I.C.A., shall be defrayed by the Organisation which they represent.

## Election of the Central Committee.

**The President** put to the vote the nominations received from the National Organisations in accordance with Article 26 of the Rules, and declared the following members unanimously elected to the Central Committee:—

Argentina .....	B. Delom.
Austria .....	A. Korp, Dr. A. Vukovich.
Belgium .....	Professor L. de Brouckère, W. Serwy.
Bulgaria .....	I. T. Boyadjiev.
Canada .....	Professor A. B. MacDonald.
China .....	M. Shaw.
Czechoslovakia .....	J. Kufner, J. Nepomucky, K. Toth, A. Zmrhal.
Denmark .....	I. Th. Arnfred, A. A. Drejer, F. Nielsen.
Finland .....	Y. Kallinen, E. Pekkala, P. Raittinen, L. Hietanen, Professor O. Stadius.
France .....	M. Brot, A. J. Cleuet, E. Couvrecelles, L. Degond, Dr. G. Fauquet, G. Gaussel, P. Ramadier, R. Vaxelaire, A. Charial, A. Cramois.
Germany .....	Dr. H. Everling.
Great Britain .....	J. W. Blower, J. H. H. Codd, J. M. Davidson, T. H. Gill, R. G. Gosling, G. L. Perkins, R. Southern, A. J. Tapping, H. Taylor, Rev. G. S. Woods.
Holland .....	J. J. A. Charbo, J. Roos.
Greece .....	A. Baltadjis.
Iceland .....	V. Thor.
India .....	Professor H. L. Kaji.
Israel .....	J. Efter, A. Zabarsky.
Italy .....	O. Bardi, Professor M. Casalini, G. Cerreti, Dr. Q. Dal Fiore, G. Giacometti, V. Grazia, O. Spinelli, S. Aldisio, F. Chiri, Dr. L. Malfettani.
Norway .....	S. Nilssen, P. Sjøiland.
Poland .....	J. Domanski, Mrs. Z. Dombinska, E. Ochab, S. Surzycki, S. Szwalbe, J. Zerkowski, D. Kuszewski, E. Pszczolkowski.
Rumania .....	V. Dusa.
Sweden .....	C. A. Anderson, S. Apelquist, Dr. M. Bonow, A. Gjöres, A. Johansson, A. Oerne, N. Thédin.
Switzerland .....	Ch.-H. Barbier, H. Rudin, Dr. M. Weber.
U.S.A. ....	H. A. Cowden, M. D. Lincoln, C. Miller, D. Townsend.
U.S.S.R. ....	I. P. Akhremchik, G. A. Bokov, Mrs. Gorelovskaya, P. I. Kolesnikov, I. S. Khokhlov, A. P. Klimov, V. L. Lipovoy, M. B. Narsia, G. Nellis, N. P. Sidorov.
Yugoslavia .....	Dr. M. Voutchkovitch.

**The President:** The nominations of some National Organisations have not yet been received. Will Congress, as is customary, authorise the Central Committee to co-opt additional members nominated by the National Organisations, provided all such nominations are in accordance with the Rules?

**Agreed.**

**Paper on**  
**The Practical Development of**  
**International Co-operation**  
**in the Economic Sphere.**

**By Albin Johansson (Sweden).**

# **The Practical Development of International Co-operation in the Economic Sphere.**

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Co-operators the world over ask themselves what the reasons might be for the relatively insignificant part which Co-operation plays in the international exchange of goods and commodities. Most of them find it difficult to understand why this should be so, considering the prominent position of the Co-operative Movement in a number of countries. A review of the causes underlying this state of affairs will give an indication of the ways which must be followed in order that international collaboration in the interests of Co-operation shall take form in creative results.

A study of the conditions and requisites for the establishment of Co-operative Organisations in the national field will give certain information for explaining the situation. What we have first to note is that Consumers' Co-operation is of comparatively recent origin. With certain unessential exceptions it is only a century old. Trading, on the other hand, is as old as civilisation itself, having existed ever since division of work was applied in human intercourse. As the allocation of separate functions became more extensive and complex, there followed a real or formal need of legislative regulation of production and trade. These regulations conferred upon members of special organisations the exclusive right to carry on production and sale. The State thus rather generally gave craftsmen and merchants in their respective guilds a monopoly in these services to the public. As long as this continued there was no room for Co-operation, and it was only after these restrictions had been removed and economic liberty established that the consumers obtained the right and scope to organise and play a part in production and distribution of goods and commodities.

It was only to a very small extent that the consumers availed themselves of this liberty, and even in such cases, where Consumers' Co-operative Societies were formed they had a short existence. The theory of Consumers' Co-operation was unknown. It was only after the advent of the Rochdale Society that the Consumers' Co-operative Movement came into possession of a programme capable of captivating the interest of the people and of providing an incentive for the formation of Consumers' Co-operative Societies.

The liberty was in the beginning utilized to create co-operative productive enterprises, owned and operated by the workers themselves. This movement was based on the belief that if the means of production were in the hands of the workers, and the enterprises were managed by them, their interest would best be safeguarded. Subsequent experience has proved, however, that this form of Co-operation which, among others, Karl Marx regarded as valuable, has not attained the importance and application in the world that was originally desired. In such instances where the workers carry on productive enterprises

with profit, these are, as a rule, in the matter of wages, production methods and sale, based upon the standards evolved by other forms of enterprise in productive life.

The difference between a workers' co-operative productive enterprise and one privately owned and managed, is that an enterprise owned by the workers will naturally try to provide the members with the highest possible rewards from the venture whereas an enterprise in the same field, owned by a capitalist, strives to obtain the highest possible income for himself. In both these types of enterprise the owners are interested in obtaining the highest possible income for themselves. From general social points of view the workers' co-operative enterprise, where the profit is divided among the workers according to their contribution to the result, is naturally to be preferred, provided that the efficiency is equally good in both kinds of enterprises, and the rate of saving of the same magnitude. At the height of the activity for establishing workers' co-operative productive enterprises, however, there was no experience available about what the workers could gain through organisation in trade unions. It has since become evident that through their trade unions they are able to assure that they receive their just share of the profit. But this is not the place to give an exhaustive review of developments in workers' co-operative productive enterprises, or of their special position. What has already been said is merely intended to serve as directives for the organisation of international co-operative enterprises.

It should be noted, however, that Workers' Productive Societies could exercise a function complementary to the rôle played by Consumers' Co-operative Societies, since they are, as a rule, producing goods with a view to supplying them to Consumers' Societies. The example of the English Workers' Productive Co-operative Societies has proved that this can be done to the mutual advantage of both parties, and similar examples could also be quoted from other countries. But true as this may be, there is a fundamental difference between Producers' and Consumers' Co-operative Societies. After the latter have completed the process of integration back to and including raw materials, profit becomes eliminated within them. If, on the other hand, on its way from raw material to finished product, an article has to pass through different enterprises, the interests of the sellers will at every stage come into conflict with those of the buyer with regard to the price, which means that both parties will try to obtain the greatest possible advantages at each other's expense. It could be said against this that all integration within a single enterprise, whoever its owner may be, results in the elimination of conflicting interests between the various stages of production. This is quite true. But no other form of enterprise, whether state-owned or capitalistic, has interests perfectly identical to those of the consumers. Here again, somebody might object that a state-owned enterprise lacks the chief characteristic of private enterprises, i.e. the profit interest. This is also quite true. But in the administration of state-owned enterprises political considerations play an important rôle. Through the state-owned enterprise the owner-state can procure means for general governmental purposes. What generally happens is that the state, through its enterprises, collects indirect taxes from the buyer-consumer. In a Consumers' Co-operative Society, on the other hand, the consumer pays a certain price for a certain commodity. If he has paid more than it actually costs to produce and distribute

the commodity in question, the difference is either refunded to him in the form of a dividend or it is saved and added to the funds of his own enterprise.

The form of Consumers' Co-operatives for carrying on trade was given but scant attention by political economists and sociologists immediately after economic liberty had been established. It is really only since Consumers' Co-operation has acquired a firm standing, and has proved in practical life what it signifies in the community, that the men of science have discovered that Consumers' Co-operation is an economic system by the side of the others. Consumers' Co-operation does not rest on the principle of profit, but it has come into existence, and can only find a place, in such communities where economic liberty is accepted, and thus where private enterprise is permitted. Most countries in the world, no doubt, fulfil that requisite, as even in communist-governed countries private capitalism is permitted to exist to a certain extent by the side of state capitalism.

Opportunities for all to start and carry on enterprises in the economic field gradually became an accepted principle in all countries from the beginning of the nineteenth century. The years when economic liberty was legally established can be fixed for a number of countries, but the general progress from the restrictive state-controlled economy to the full application of economic liberty has nevertheless taken place in stages. The development in Great Britain is, in this respect, the most conspicuous example for study, because economic liberty there, so to speak, represents an evolution and because at the time it acquired the strongest position.

What we wish to make clear here is that Consumers' Co-operation could not come into existence in any country until the required facilities obtained, and these were not present before full economic liberty was practically applied. The reason why Co-operation did not spring up immediately after economic liberty had been accepted in principle as well as in practice, was due to lack of education among those concerned. The great mass of the population did not possess such information as could enable them to grasp the principles of economic liberty, and still less to manage economic enterprises. The earliest attempts to organise Consumers' Co-operation failed on account of a general want of intelligence.

Economic democracy as represented by co-operative activities naturally demands understanding and knowledge on the part of the members of Co-operative Organisations. Without such knowledge of affairs the members will become dependent on a few, which is a state not compatible with real democracy. Co-operative activity within a free economy, in consequence, can only be developed in the same degree as the education of the members is making the necessary progress.

This is absolutely necessary for building the economic democracy on a firm foundation. It is possible for a state to socialise—i.e., nationalise—the country's economy or certain parts of it without requiring the individual citizens to possess the necessary knowledge for participating in the administration. It may even be possible to carry through such a scheme if the citizens are illiterate. No real economic democracy will be attained in this way. But socialisation of the national economy through the Co-operative Movement and

its activities demands that the members of Co-operative Organisations should be capable to undertake administration and exercise control. Provided this condition is fulfilled, Co-operation will be the soundest foundation upon which to build economic democracy.

The ability to read and write first became general during the earlier part of the nineteenth century through the institution of compulsory school attendance for children. Through their ability to read and write the generations which grew up round the middle 1800s were provided with a certain foundation enabling them to acquire the rudiments required for carrying on co-operative business. But this process took some time. Generally speaking, it required a couple of generations for such knowledge to permeate to large numbers, and it was due to this that Co-operation came into existence only several decades after the citizens had obtained the facilities to organise themselves in Co-operative Societies.

The development of the Co-operative Movement has made it evident that Workers' Productive Co-operative Societies, which are not entirely based on the interests of the consumers, have made relatively little progress, and that consequently this form of organisation is not fit to be applied on an international level. We have also seen that a condition for carrying on international economic co-operation is that liberty be retained for the activities of organisations serving these purposes. Finally, we must be clear in our minds that the persons selected to promote and organise International Co-operation must possess the required knowledge for such services.

The first condition for organising International Co-operation must be to adhere to the consumers' co-operative programme, which signifies that the international co-operative enterprises must be owned by the buyer-consumers. If this be admitted, the National Co-operative Wholesale Societies are the proper institutions to represent the consumers in each country, and in this capacity will become the owners of the international co-operative enterprises that may be established.

This is the same form of organisation as the one prevailing within individual countries, where the local Consumers' Co-operative Societies are the joint owners of the Wholesale Societies and of the industries connected with the latter. When applying the same programme on an international scale, certain difficulties must be taken into account. Problems of organisation, similar to those to be resolved in connection with the creation of International Co-operation, also existed when Co-operation was built up in the different countries. The bigger local Societies have, in many cases, acted as wholesalers on behalf of the smaller ones and have supplied them with goods. When, at a later stage, the local Societies formed National Wholesale Societies, it was of course not always easy for the Societies which, in addition to their normal functions had been acting as wholesalers, to adapt themselves to the new conditions.

Things will be rather similar in the international field. If the countries with a widespread Co-operative Movement carrying on a large wholesale business and industries were to sell their goods to Co-operative Wholesale Societies in other countries, we should build up a trading system which was not compatible with the co-operative programme. The result would be that

the seller would want to obtain an advantage from the transaction, i.e., to profit from the buyer. The opposition between seller and buyer in the ordinary course of trade would not, in consequence, be eliminated if we were to organise International Co-operation with the intention that the Central Organisation of one country should sell goods to that of another country. The more we might try to develop international exchange of goods on such a plan, the more trouble there would be to bring about compliance with fundamental co-operative principles as outlined here.

According to the co-operative principles, productive and distributive enterprises should be owned by the buyer, i.e., the consumer. It is thus that Consumers' Co-operative Societies are built up throughout the whole world in accordance with the Rochdale programme. Should, however, these principles be applied in every respect, Co-operation on an international level would be deferred to a far future. It is a fact that Consumers' Co-operation is unevenly distributed in the world. In Great Britain the Co-operative Movement is strong and it has plenty of capital, but there are only few other countries where Consumers' Co-operation is in a similar position. When setting up an international enterprise capable of operating beyond the frontiers of the country where it is situated, the course to take must be determined by other considerations than merely questions of principle. This does not imply, however, that we consider the principles as worthless in the international field for all futurity, as only co-operation between the consumers of the different countries can create such relations among the states which would make it possible to avoid conflicts.

It is, therefore, necessary to bear in mind the leading idea and to adhere to the Rochdale programme whenever it can be put into practice. But, as it has been said before, present circumstances are such that, should this programme be rigidly applied, it would be extremely difficult to obtain any tangible results. The fact that in some countries Consumers' Co-operation is strong, while it is weak in some others, is not the only reason; the confusion on the international exchange market also complicates matters. For most of the Consumers' Co-operative Organisations it is at present impossible to invest money in other countries, even if they have the necessary means at their disposal. It is to be expected that these exchange difficulties will cease within a reasonably near future, but for the time being and for some years to come we must take into account that exchange restrictions operated by governments will hinder international co-operation.

Consequently, the difficulties, for example, of building up the International Petroleum Organisation according to a genuinely co-operative programme are at present almost insurmountable. Oil consumers in Europe now need a common refinery, but it is not feasible to collect money from the different Central Co-operative Organisations and use it to build or to acquire a refinery in one country or the other.

Should we do nothing while we are waiting for things to get back to normal? This would certainly be a mistake. Our opinion is that Central Co-operative Organisations which are in a position to do so, should build or acquire refineries in their respective countries.

In order that a refinery could operate economically it might prove practical or even indispensable for it to have a greater capacity than is required for



satisfying the needs of organised consumers in the country in question. It would be a natural consequence of such a state of things that its products would be delivered to Central Co-operative Organisations in other countries.

This, however, is not tantamount to International Co-operation but it must be considered as more advantageous for the consumers, irrespective of their country of residence, to be able to buy from a co-operative refinery rather than from one owned by some private firm or by the State. The final object, however, must be to transform such a refinery into a genuine co-operative enterprise. Arrangements should therefore be made for the buyers to get the same dividends on their purchases as the owner Society, and the funds accruing to them under this title should be used to give the buyers a share in the productive enterprise.

The English C.W.S., which is the only Central Co-operative Organisation in the world having an important position on the international markets, may look askance upon a proposal of collaboration made by the co-operators of small countries. The turnover of the C.W.S. is of the same magnitude as the exports and imports of many small countries, i.e. private and co-operative purchases and sales effected by these countries on the world markets. It is only reasonable that the leading men in the C.W.S. should ask themselves, in spite of the understanding and great generosity they have always shown, what benefit their Organisation stands to gain from collaboration with small and comparatively unimportant Co-operative Organisations in other countries.

In this connection one should, however, remember the fact that within the English Co-operative Movement there are also large and small Societies affiliated to the C.W.S. All of them benefit by this co-operation and it would be the same in the international sphere.

In one branch of manufacture which has possibilities to become world-embracing, namely, the manufacture of electric lamps and other electrical material, it should be possible to establish international co-operation. The Swedish Co-operative Organisation is the owner of the Luma factory. In Scotland a lamp factory is owned by the Scottish and English Co-operative Wholesale Societies together with the Swedish. In Norway N.K.L. owns Norsk Luma. These enterprises should be jointly owned by all National Co-operative Wholesales in the world. Kooperativa Förbundet has expressed its willingness to co-operate in the realisation of such a programme. If this plan could be put into effect the organisation established could, no doubt, serve to place the co-operative production of electric lamps and allied activities in an important position internationally. The Central Co-operative Organisations which now own lamp factories would undoubtedly be interested in the establishment of such factories in other countries. The production of raw materials and semi-manufactured products could be increased to a volume that would augment the possibilities of the Co-operative Movement to serve the consumers in the most efficient manner. This would be an advantage to all, including those which now own lamp factories.

Our British friends—the English and Scottish Wholesales—are the owners of the world's largest wholesale tea business, and many Co-operative Wholesales buy their tea from them without being members of their special organisation. If this enterprise were converted into an International Co-operative Society

the present owners would surely not lose anything thereby. It is probably more likely that they would derive benefit from the true International Co-operation thus created in the tea market. The world's co-operative sale of tea would be centralised in London, and the surplus from the operations would be distributed among all the participating National Wholesales, members of the organisation, according to the magnitude of their purchases. This surplus would be allowed to accumulate during a number of years in this International Co-operative Society, because the present owners would naturally demand that it be financed by the buyers. This would signify that all the world's co-operators would have an interest in the British Tea Wholesale. Equal facilities are at hand for us co-operators to utilise the great amount of information which the British co-operators have in this field in the interest of organised tea consumers the world over. This is only one instance of the strong impulses which have emanated from the British in the past for the extension of world trade to the benefit of themselves and of the world as a whole.

If an International Co-operative Tea Wholesale were created we should all own tea plantations in common by virtue of membership of this organisation, and in this way be able to produce what we required. Being owners of tea plantations there would be no possibility for any private person or any one country to profit from the consumers. Such an arrangement means the elimination of the conflict between grower-seller and buyer-consumer.

This is a peace work which cannot be carried through by means of any other form of organisation. It should, in consequence, be an urgent matter to try to realise the co-operative programme in all fields where this is feasible. If we wait too long to put our programme into effect in the international market, we must reckon that the Co-operative Wholesales in each country will strike out in directions of their own and thereby prevent any sort of real International Co-operation within the Consumers' Co-operative Movement.

The general rule, that International Co-operative Enterprises should be owned by Consumers' Co-operative Wholesale Societies, does not exclude the participation of Farmers' Co-operative Organisations in enterprises established for the purpose of producing commodities handled by both types of Societies, e.g., fertilizers, agricultural implements, &c. In respect of such commodities Farmers' Co-operative Organisations may duly be considered to represent consumers' interests and there is therefore no danger of conflicting interests to prejudice close and friendly collaboration.

There will even be cases where close collaboration in the field of industrial production on an international level between Consumers' Co-operative Wholesale Societies and Farmers' Co-operative Marketing Organisations and the establishment of productive enterprises of a mixed character will, in certain connections, appear as the best means to realise our programme. This will especially be the case with regard to commodities of which the raw material is to a large extent controlled by Farmers' Co-operative Organisations. Wool tops and woollen yarns, for example, are articles which could be manufactured in an enterprise jointly owned by Consumers' Co-operative Wholesale Societies possessing textile factories and by the Australian Farmers' Association. There are no doubt many other fields open for collaboration between Farmers' Productive Co-operative Societies and Consumers' Co-operative Organisations.

We should avail ourselves of every opportunity of building up International Co-operation and, in our endeavours to achieve this object, we should not allow our guiding principles to deter us from taking other steps than those described above. In this connection it may be useful to follow with attention the measures taken by the occupation authorities in the occupied countries with a view to promoting the rehabilitation of their economic life. It is to be expected that a number of industrial enterprises situated in those countries will be handed over to new owners. It should also be considered in what way International Co-operation could collaborate in the reconstruction of Europe within the framework of the Marshall Plan.

In the world in which we live we encounter many other obstacles than those affecting our prejudices or sentiments which prevent a rational way of utilising the available possibilities. We must, however, try to accomplish what we can within the scope of our efforts. And it is undoubtedly our duty to try to enlarge this scope so as to bridge the limitations imposed by frontiers in building up international co-operative production and trade interchange.

The situation in the world up to the present has been such that each Government has tried to erect barriers to a utilisation of the world's resources for the common good. High tariff walls have been erected, imports and exports have been restricted by quotas, each country has regarded it as her sovereign right to restrict world trade. This feature has been prominent during the war, and especially so on account of the difficulties of various kinds in post-war years. A short review of the actual situation may therefore be appropriate.

The present situation is characterised by the fact that, even several years after the end of the war, the world is still dominated by unrest. People are waiting impatiently for the fruits of peace, but war still rages in certain parts of the world, and Central Europe is still occupied and divided up into areas closely guarded by military forces, isolated from each other and in many ways from the outer world. Peace has not been concluded with Austria and Germany. It has been estimated that the production in these countries only reaches between 30 and 40 per cent of the production output before the war. For the peoples of the world, this drop in production has more or less the same result as would be the case if five countries of the size of Sweden ceased production and for their maintenance had to ask for help from other countries. We can hardly expect any appreciable increase in production in the occupied countries before peace treaties are concluded and the frontiers between Eastern and Western Germany are opened.

There are very few other countries that have reached the volume of peacetime production, although some, it is true, have an even greater production now than before the war. But even if the world's production reached the peacetime level, it would not be sufficient to raise the living standard to the pre-war level. It must rise much higher. This requires greater working effort to replace the destroyed towns and industrial plants. Until this has been done, the world's population will be forced, in spite of increased efforts, to live at a lower standard than before the war.

The world's economic affairs are so interwoven that scarcely any country is unaffected by the total production result. All European industries suffer

because Germany can no longer deliver the raw materials, semi-manufactures and machines which that country formerly supplied. Now Europe is obliged to exploit other sources for these necessities, and at the same time produce goods that were once, to a large extent, to be obtained from Germany. The result is, that the prospect of effectively exploiting the machinery of production is reduced.

Within most countries, wages have increased without production in any way increasing to the same degree. The result has been a feeling of discord and dissatisfaction, which has thereby increased the feeling of anxiety. The decisive questions for future development are, how can the struggle within the nations for the available quantity of goods be solved without inflation, and whether the distribution of goods on the world markets can be influenced in such a way that an increase in strained international relationships will be avoided.

Only an increased quantity of goods, making it possible to satisfy needed requirements, can bring about peace and security in the world. If people in the leading States can only see the connection between production and consumption, and follow along those lines, then we can hold out great hopes for the stability which the world so greatly needs. Developments in Great Britain will in this respect be of decisive importance. If the people of Great Britain, when they now face an economic Dunkerque, show the same proof of national unity as they did in 1940, we can hopefully expect to bring about an improvement in the discord within and between the countries. But this discord will vanish only when the people know that they are getting the full enjoyment that a generous Nature and human power is able to give them.

Up till now this has not been the case. The people are divided into nations, and within their own frontiers they endeavour to exploit their own resources and screen themselves off from what the remainder of the world can give. Every country has considered it its sovereign right to decide the protection of its economic frontiers, such as tariff regulations, quantitative restrictions of import and export, &c. Such an arrangement is incompatible with the well-being of the people. It hinders the rational distribution of labour in the world, and a fully operative distribution is an inescapable condition to ensure that the people of all countries reach the highest conceivable standard of living. Those countries which isolate their commercial and industrial life behind high trade barriers, commit a crime against the interests of humanity, for their citizens are in actual fact "protected" from the prosperity that general co-operation between the countries of the world would give them.

It is now the intention to remove these obstructive factors, and with this object in view negotiations have been entered into by most countries since the war finished. A Charter has been drawn up at the Conference in Havana for a world trade organisation whose task it is to work for full employment, a higher living standard, the development of economic resources and a more free and enlarged world trade. The 53 countries which approved the Charter of the International Trade Organisation (ITO) represented 90 per cent of the world trade. It is assumed that if the International Trade Organisation is to achieve its purpose, the right of various countries to apply protective tariffs and raise other barriers to trade must be limited, for such steps are incompatible with an immediate re-organisation of international trade. It will take

a long time to reach the goal, but already through the setting-up of an International Trade Organisation new hope is inspired for that economic co-operation between the peoples of the world which will lead to concord and peace.

We co-operators have every reason to welcome the new Organisation. If its programme is effected, co-operators in every country will be given the opportunity of practising international collaboration and, with this opportunity, the possibility to build up international undertakings between the National Co-operative Wholesales that will render mutual service to all peoples alike. Thereby we shall not only have a higher standard of living for the people but also a peaceful bond of understanding between them.

The liberty to collaborate in the international market needed by us co-operators would seem possible of realisation if the lines on which ITO is founded are universally accepted. For this reason we co-operators must apply all our efforts towards getting ITO's programme realised in practice, and make the freedom we need into a living force. All Central Co-operative Organisations which are members of the International Co-operative Alliance should unite in action for reaching the goal we strive for: full employment in every country and free interchange of goods and services between them. A step in this direction is that individual members of Co-operative Societies be informed and made conscious of the creation of the ITO. Only in that way can this organisation effectively influence the legislative assemblies and Governments in the respective countries to accept an international economic order which gives the consumers liberty to unite their forces in international enterprises and to carry on economic activities outside their national frontiers. If this result can be achieved then, and only then, will conditions be created that allow people of various countries to form joint undertakings. A guarantee of peace would thereby be created. In no other economic system is this possible, as they are built up either on a national basis or else on profit interests. Even if an enterprise in a given country, owned by the people themselves, is obliged to sell its products to other nations, the conflict between seller and buyer is not eliminated. The owner of the enterprise is interested in making profits at the expense of the other party. This cannot be the case if we are all joint owners of an undertaking, no matter in which country it is situated, as in such a case the undertaking is working for the common needs and not with a view of giving a few persons, or even a whole nation, the opportunity to profit at the expense of other countries. This is the essential difference between Co-operation and other forms of enterprise. It is therefore that Co-operation on an international level is a Peace Movement but, in order to make it possible for it to assert itself, it is indispensable that people and goods should be allowed to move freely across the frontiers. The preliminary condition of realising our vast and beautiful programme is freedom, which is the basic idea underlying the ITO. This makes it worth while to fight for its realisation.

We cannot afford to neglect to take advantage of the resources in the world. But, as already pointed out, it is not sufficient that we wish to build up a system in which the profit-interest is absent and within which we have the liberty to organise ourselves in conformity with the co-operative principles; it is also necessary that we acquire the knowledge required to realise our aims, and this knowledge should be sought for with fervour.

For promoting research into world trade problems it would undoubtedly be good policy for the International Co-operative Alliance to initiate courses dealing with this subject for representatives from the different Co-operative Wholesale and similar Central Organisations. This would involve expenditure, but the costs for the courses should be borne by the Central Co-operative Organisations which wish to participate. It should be possible to raise enough funds for enabling each Central Organisation to send one or more of the younger members of its staff to attend the courses proposed. After receiving such instruction the students would be fitted for service in each country in the interest of the work of organising and administering enterprises to carry on co-operative production and trade interchange on an international scale.

### Resolution.

The 17th Congress of the International Co-operative Alliance, in conformity with the Co-operative Programme, the implementation of which implies the elimination of conflicting interests between the seller and buyer, recommends that the National Co-operative Wholesales in suitable regions should establish joint international enterprises in different branches of production and trading.

The Congress greets with satisfaction the beginnings of a development towards freer international trade and expanding world markets made by the adoption of the Charter of the International Trade Organisation at the United Nations Conference on Trade and Employment in Havana, signed by the delegates of 53 nations, representing 90 per cent of the present volume of international trade, and expresses the hope that the results of this Conference will lead to united efforts by all countries to utilise the riches of the earth in common.

The 17th Congress of the International Co-operative Alliance, which comprises National Co-operative Organisations with an aggregate membership of 95 million, recommends that the National Co-operative Organisations should direct all their efforts to influencing the Governments and Legislative Authorities in their respective countries to carry into effect the main principles embodied in the Charter of the International Trade Organisation, with a view to ensuring for the Co-operative Movement the degree of freedom in international trade which is required for establishing successful Joint International Co-operative Productive and Trading Enterprises.

The 17th Congress of the International Co-operative Alliance further expresses the decided opinion that the National Co-operative Organisations should, under the auspices of the Henry J. May Foundation, provide the opportunities for younger co-operators in the different National Co-operative Movements to obtain a fuller acquaintance with the conditions and requirements for carrying the Co-operative Programme into effect, and that special courses be arranged for this purpose.

## Discussion on Mr. Johansson's Paper.

**Mr. A. Johansson, Sweden:** When you discuss my paper I ask you kindly to keep in mind that in all countries where the Co-operative Movement is independent, we co-operators wish to expand the market of the Co-operative Movement over the whole world. We shall be able to do that only, I repeat, only, if we have the freedom to do so. That is an axiom. In building up the Co-operative Movement internationally, we have advanced no further than we had nationally a century ago. Only one hundred years ago did the people in most of the European countries secure the freedom to join together in Co-operative Organisations. Before that, the production and distribution of goods were regularly under the control of the authorities in most European countries, and there was no room for voluntary co-operation. As we know, in these circumstances the standard of living was very low; but from the time when that monopoly was broken, and people obtained freedom to organise themselves co-operatively, the standard of living has continually improved. These results have been achieved in competition between private and co-operative undertakings, and as a rule the consumers have had no difficulties within national frontiers in taking care of their own interests. •

When we look at the international picture, however, we find that the consumers are now in the same situation as they were nationally more than one hundred years ago. They do not possess freedom to organise international enterprises. This freedom must be obtained by the Co-operative Movement in order to safeguard the consumers' interests beyond national barriers.

Some of us here have been working together for thirty years to establish an International Co-operative Wholesale, but without great success. I hope, however, that everybody will understand that we know what we are doing. It is not a theoretical or political question, but purely a practical one. We cannot build up international co-operation unless we have the liberty to do so. We have such liberty in some degree in certain countries. In Northern Europe, for example, the co-operators of Denmark, Finland, Norway, Iceland, and Sweden work together in a purchasing agency, but this organisation, the Scandinavian Co-operative Wholesale Society, cannot be utilised by us to produce goods jointly because of the customs barriers between our countries. Another similar international organisation is the International Co-operative Trading Agency, but this, too, cannot function as it should on account of customs barriers.

In some countries we have made use of all available possibilities to try to build up international co-operative organisations. The latest is the International Co-operative Petroleum Association, and with that we meet no difficulties in organising our fight against private capitalist cartels and trusts. The Co-operative Organisations are strong enough to engage in such fights, but we cannot go beyond the national barriers and produce goods together. Trade restrictions and currency restrictions are the only hindrances to building up international co-operative enterprises between all countries. The consumers' co-operative enterprises are nationally very strong, but they are isolated from each other and have to work in isolation until they are able to remove or reduce these obstacles.

That is what we must do now. All co-operators wish to be free to work together, and nobody can object to our asking the Governments of our respective countries to give us this opportunity. We could then make use of the International Trade Organisation, in which 53 nations, representing more than 90 per cent of the international market, are collaborating. I think that those who are against this freedom cannot be familiar with the problem, and do not understand how much we co-operators could do for the working people of the world if, on their behalf, we were able to utilise all the raw materials and goods which a generous nature gives. If we could organise co-operation internationally, the freedom of people and goods to cross national frontiers would be not only a means of raising the standard of living all over the world, but also a powerful means of securing peace.

I earnestly ask Congress to accept the main principle of the resolution on my paper which has been approved by the Central Committee and which, if carried out, would promote international collaboration.

**Mr. N. P. Sidorov**, U.S.S.R., interpreted from Russian: The Soviet delegation has studied in detail the Paper which Mr. Johansson has presented. The first part contains practical suggestions concerning the organisation of an International Co-operative Wholesale Society having its own industrial enterprises, while the second part contains the theoretical grounds for these suggestions. In our opinion, the majority of the theoretical grounds mentioned have very little connection with the practical suggestions. We do not want to occupy for too long the attention of the Congress, but we would like to analyse the practical propositions made by Mr. Johansson, while some of the more faulty practical suggestions which he has made oblige us to mention them briefly. In the first place he writes: "Only an increased quantity of goods, making it possible to satisfy needed requirements, can bring about peace and security in the world. If people in the leading States can only see the connection between production and consumption, and follow along these lines, then we can hold out great hopes for the stability which the world so greatly needs." We regard this statement as absolutely wrong, and as diverting the peoples of the world from their fight against the real causes of imperialistic wars, which are not confined to the fact that the available quantity of goods is not sufficient to satisfy the needs of consumption. In the present conditions of monopolistic capital, war is the inevitable result of the development of world economic and political forces. Generalissimo Stalin stated the causes of war as follows: "The disparity in the development of capitalist countries is bringing about, after some time, a sharp break in the equilibrium inside the world capitalistic system, whereby the group of capitalistic countries that regard themselves as less provided with raw materials and markets are trying to change the existing situation and to fix spheres of influence for their own profit by way of armed force. As a result, the capitalistic world is split into two conflicting camps, which brings war between them." The equilibrium which Mr. Johansson is dreaming about will never come into existence in the conditions of a capitalistic world.

Further, Mr. Johansson writes: "The people are divided into nations, and within their own frontiers they endeavour to exploit their own resources and screen themselves off from what the remainder of the world can give.



Every country has considered it its sovereign right to decide the protection of its economic frontiers, such as tariff regulations, quantitative restrictions of import and export, &c. Such an arrangement is incompatible with the well-being of the people." This proves that Mr. Johansson stands for the limitation of the sovereignty of separate States. Such a campaign against the sovereignty of some States is not new, and Mr. Johansson is, in reality, supporting the well-known Marshall Plan. In supporting this plan, the Government of the United States of America calculated to put the European countries, which were in need of help, into a position where it would be necessary for them to renounce their rights to dispose of their economic resources and to plan independently their national economy; it calculated to put these countries into a situation of direct dependence in the interests of American monopolies. The Marshall Plan, therefore, is a direct menace to the sovereignty and independence of European countries. The subordination of the economy of European countries to the U.S.A. will finally bring about the loss of the political independence of these countries. From the economic aspect, the Marshall Plan means the subordination to American industry of the foreign trade and monetary system of the Western countries, the transformation of these countries into markets for surplus American goods, and into suppliers of raw materials for the U.S.A. From the political point of view, the Marshall Plan means the splitting up and dismembering of Europe; the organisation under American leadership of a military-political bloc of Western European countries directed against the Soviet Union; and the imposing upon European countries of alien forms of political life, involving uncontrolled monopolies and the absolute supremacy of reaction and obscurantism in political and social life. All this means the abolition of national independence and sovereignty of the countries participating in the Marshall Plan.

Mr. Johansson also writes: "All Central Co-operative Organisations which are members of the International Co-operative Alliance should unite in action to reach the goal we strive for; full employment in every country and free interchange of goods and services between them." With regard to the means for the liquidation of unemployment, we consider that it is not possible to believe seriously that co-operation can by its activity succeed in doing away with unemployment. The founders of scientific socialism, Marx and Lenin, teach that capitalism has always a reserve army of unemployed. As long as capitalism exists, chronic unemployment will also exist. Co-operation in bourgeois countries can relieve the material position of the toilers only by their fight for their economic rights, and cannot liquidate unemployment in the conditions of the capitalist order. Only in the U.S.S.R., where private ownership of the means of production does not exist, and where the work of workers and peasants is free from exploitation, is unemployment—this plague of the working class—liquidated. While in the bourgeois countries millions of unemployed suffer from the lack of work, in the U.S.S.R. there are no longer any workers without wages and work, uncertain of what will happen to them the following day.

Again, Mr. Johansson states that the basic condition for the existence and development of the Co-operative Movement is the cultural level of the population. This statement is not correct. We consider, taking into account the dates in the historical development of the Co-operative Movement, that the

conditions for the existence and development of co-operation are not cultural but economic. What really limits the possibilities of the Co-operative Movement under capitalism is not the insufficient cultural level of persons interested in co-operation but the economic conditions under which the means of production and exchange remain in the hands of the exploiting classes.

Mr. Johansson is, however, correct when he says that even now there is no peace in the world. War is still raging in some parts of the globe, such as Indonesia, Greece, the Philippines, and Madagascar, where the English, American, and French imperialists are making themselves at home. It is clear that the U.S.A., England, France, and other countries that are conducting an aggressive imperialistic policy are to blame for the fact that there is still no peace in the world.

**Mr. R. Gosling, Great Britain:** The British delegation support the resolution on Mr. Johansson's Paper; nevertheless, I have some brief comments to make on the Paper itself. Mr. Johansson asks for a development of international co-operative trade and production on a non-profit basis. We agree with him, and we thank him for his personal efforts towards that end. To-day, however, we cannot afford to be theoretical; we must be practical; we must recognise the changing economic and financial conditions of the world, and must seek a basis for international co-operative trading between all the members of the I.C.A.

Mr. Johansson says, however, that the English C.W.S. may look askance or with surprise upon a proposal for collaboration. This is not so. The English C.W.S. is to-day a member of all the international co-operative trading bodies. Mr. Johansson said that it is not true co-operation for a National Wholesale to sell to another National Wholesale and keep the profits. We agree with him. A number of National Wholesales are members of the English C.W.S. and share in its surplus according to their trade. This practice should be extended between National Wholesales. In addition, the English C.W.S. has proposed to the Swedish C.W.S. methods by which international co-operative production could be developed in the fields of cash registers, office equipment, and linoleum. These proposals were made with a frank recognition of present economic difficulties but they were rejected. The same difficulties which we then recognised are now recognised by Mr. Johansson in connection with the development of a petroleum international. I should like to state, therefore, that the English C.W.S. has shown, and will continue to show, its willingness to assist in the work of international trading relationships on constructive lines. We acknowledge the technical assistance given to us by the Swedish C.W.S., and we give technical assistance to many other co-operative bodies. We have suggested to the Swedish C.W.S. that a first practical step might be the creation of one international centre for research and the sharing of technical knowledge and methods. Despite currency difficulties and the problem of actual factory ownership, whether national or international, there are many ways by which we could work together in a practical way.

The British Co-operative Movement abandoned political neutrality in 1917. Our country to-day is developing a policy of full employment, and co-operators take an active part in the government. That does not render it any less

necessary, however, to develop co-operative trade; the need is as great as ever. We, therefore, welcome Mr. Johansson's Paper and hope that it will lead to greater activity in the fields of co-operative trading and production. There may be more hope in a Soviet grain ship coming into the ports of the world, or in a co-operative tanker full of oil coming to a co-operative refinery, than in political theory or in the flag under which we may be forced to live.

**Mr. A. J. Cleuet, France:** I am speaking as a member of the French delegation, and also as President of the International Co-operative Trading Agency. I will be very brief, and the speech just made on behalf of the British delegation helps me very much in what I wish to say concerning the first paragraph of Mr. Johansson's Resolution.

I think it is well, in order to refresh the memories of some delegates, to recall that the first efforts to create International Co-operative Commercial Organisations go back to the 1914-1918 war. We created at that time a Committee called the International Co-operative Wholesale Society, which played its part, and which had as its principal aim to establish a basis for relations between National Wholesale Societies. Certainly, we all knew each other, we had relations with one another, and we met in our assemblies; but, from a practical point of view, we had not a very deep knowledge of the methods employed in each Wholesale. It was those contacts between Wholesales which brought about the first trade in the international field with Centrosoyus, and the first Wholesales to establish trading relations with the U.S.S.R. were the English and the French.

The International Wholesale continued its activity by experiments, and by enquiries concerning the principal markets of raw materials; later, it began to practise joint buying. When this first stage had been reached the International Co-operative Trading Agency was created in 1938, but hardly had it begun its activities when the second world war broke out. It is not necessary to emphasize that during the period 1939 to 1945 it was extremely difficult for the International Co-operative Trading Agency to realise its aim.

What I particularly wish to emphasize is the difficult position of the International Co-operative Trading Agency with regard to certain Wholesales which, owing to their importance, already possess a net of Trading Agencies in countries foreign to them as well as a whole lot of specialised buyers. These Wholesales include some of the most powerful ones, and their collaboration would have been most valuable to the Agency. But, all the same, it was thanks to the International Co-operative Trading Agency that the International Co-operative Petroleum Association was formed. Certainly, in this development we had behind us our American friends, who already had a place in the oil industry. As a result of a meeting held in London in 1946 the International Co-operative Trading Agency appointed a Study Committee whose work culminated in the creation of the International Co-operative Petroleum Association the following year. After the first year, we can say that its results have been on the whole satisfactory and show really great promise for the future.

All this leads me to say that, in my opinion, the essence of Mr. Johansson's ideas, which is also the essential part of his Paper—the building up of international industrial centres—must not only be the object of theoretical discussions at Congresses and meetings, but must lead to practical achievements in the interests of the consumers, which besides constituting a very effective propaganda weapon, will also be capable of counteracting the international capitalist trusts. It is clear that that is the direction in which we must go, and that is the practical content of Mr. Johansson's suggestion.

It is not a question of setting up International Organisations for products which, while they are of relative usefulness, have not the economic importance which other products may have. It is a question of deciding whether, by utilising all the combined resources which we possess, we are capable of installing ourselves in key industries. I am certain that, in such an important industry as oils and fats, it is possible to take considerable and positive action, for there is not a Wholesale in Europe which does not handle oils, soap, &c. It is not a question of setting up an international factory immediately, but, if we had the opportunity of joint buying in the raw materials market, we would overcome great difficulties, and would obtain, as in the case of oil, incalculable advantages.

I simply ask Mr. Johansson and Congress to consider my suggestion, because in my opinion the first paragraph of this resolution is not sufficiently precise. I suggest that the International Co-operative Trading Agency should be instructed to call together qualified experts from the National Wholesales with a view to putting Mr. Johansson's ideas into practice.

**Close of the Sixth Session.**

## SEVENTH SESSION.

Thursday, 30th September.

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### Discussion on Mr. Johansson's Paper (*continued*).

Mr. J. Effer, Israel: I appreciate very much the attempt which Mr. Johansson has made to put before the Congress a paper on the Practical Development of International Co-operation in the Economic Sphere. Although we have a large Co-operative Movement all over the world, its influence, nationally and internationally, is, I am sorry to say, not strong enough in comparison with the influence of the capitalistic economic powers. Even in those countries where the socialist and trade union organisations have succeeded in obtaining power in the Government, they have not tried to increase, or perhaps have not succeeded in increasing, the power of the Co-operatives, or in using co-operative institutions for the benefit of the economic life. I do not agree with Mr. Johansson that this is due to a lack of knowledge on the part of the members. The responsibility and the duty lay always on the shoulders of the leading groups of co-operators in each country, but I am not sure whether we have all fulfilled our duty towards the demands of our Organisations, particularly so far as International Co-operation is concerned. Instead of saying that the first condition for organising International Co-operation must be to adhere to the consumers' co-operative programme, I feel that at this stage we have to change the formulation of this principle, and to say that close connection with Consumers' Co-operation must be the condition for organising International Co-operation. And until international co-operative enterprises have come to life, I consider it advisable that we should encourage all forms of Co-operation even if they cannot meet fully the condition of adhesion to the consumers' co-operative programme. This applies, for example, to Transport, Productive, Agricultural, and other Co-operatives. I agree with Mr. Johansson that the Productive Co-operatives look first to their own benefit and not to that of the consumer, but we must not come to the conclusion that for this reason they are not fit to come together on an international level.

I am very glad and proud that in this unpleasant time, politically and economically, where capitalist enterprises try to spread their net over the economies of all countries, we co-operators are dealing here to-day with a proposal to lay the foundations for international co-operative commercial and industrial enterprises. In Israel we feel that the time is ripe for a real endeavour by all sections of the World Co-operative Movement, and especially by the National Co-operative Organisations in the larger countries, to take the first step for international commercial and industrial activity.

The International Co-operative Petroleum Association can be regarded as an expression of the will of our World Movement for international mutual co-operation, and we must continue in this way by the establishment of joint international enterprises. We can make a beginning, at least, if those National Co-operative Organisations which are in a position to invest the

necessary funds for such joint establishments will do so. I support in general the principal points in the Resolution proposed by Mr. Johansson.

**Dr. M. Bonow, Sweden:** So much criticism has been directed against the Recovery Programme for Europe and against the I.T.O. in the course of the discussion here that I should like to make a few comments on these criticisms. First of all, I think that it is desirable to consider the work of the Economic Commission for Europe. According to the report of the Commission the European share of world trade before the second world war was one-third; it is now only one-sixth. This results from a number of factors; amongst others that the trade between Eastern and Western Europe, which involved a great flow of goods and services before the war, is now reduced to a mere trickle. At the same time, the European countries before the war imported great quantities of goods from other parts of the world. This importation is now very difficult, because European earnings from investments in other parts of the world, which formerly paid for these imports, have disappeared. The Commission for Europe estimates that before the war Europe needed an import surplus of \$2,000 million a year, which at present value would mean \$4,000 million a year.

These facts show that there is a need for credit, and that this need exists in a very high degree. I think, therefore, that if economic stability is to be restored in Europe, there must be big programmes for giving credits to those countries which are in need of them. Sweden, a country which was not hit by the war, has tried to do its part. We have given about Kr.4,000 million in credits to different countries, including Great Britain and Soviet Russia. This is constructive work, and I do not think that the European Recovery Programme should be regarded otherwise than as providing these credit requirements.

As regards the I.T.O., it has been said that it will strengthen capitalist interests, capitalist trusts and combines, and will hamper the development of International Co-operation. I believe that the very opposite is true, and I will try to explain that briefly. I have personally been associated with the International Trade Charter by taking part in the Havana Conference as a representative of the Swedish Government, and the knowledge which I have thus acquired makes it impossible for me to agree that the Charter can be described as detrimental to international co-operative trade relations and collaboration.

My first point is that the Charter facilitates trade across national barriers. It is an obvious fact that excessive trade restrictions hamper International Co-operation, and may, in extreme cases, even kill existing international co-operative enterprises. The Charter provides for reducing excessive trade restrictions, and at the same time takes full account of the post-war difficulties due to currency problems, and so on. Secondly, the Charter provides for the full use of all the productive resources of the countries which co-operate within the I.T.O., which means international planning to raise the national incomes of all countries for the benefit of the peoples of the whole world. Is that detrimental to the working people of the world? The answer is No. Thirdly, the Charter, for the first time in world history, provides a means of checking the activities of international cartels through international legislation and international supervision. I submit to Congress that there does not exist a more urgent practical task for the Co-operative Movements

of all countries than the fight against monopolies and combines, national and international. This is a very great and difficult issue, but never before has the World Co-operative Movement had the same possibilities of successfully beating the international cartels as it has now. Why? Because the provisions of the Charter are weapons which can be most effectively used by the World Co-operative Movement. It would be sheer foolishness, in my opinion, if our World Movement did not avail itself of the services of the I.T.O. in this respect. These are only three examples of the benefits which it can derive from the I.T.O.

I would remind you that 53 countries with quite different economic structures, from all over the world, signed the Final Act of the Conference, one signatory being Czechoslovakia, the country whose guests we now are. Such world-wide adherence to the general principles embodied in the Charter makes it strange to argue that the I.T.O. is detrimental to our Movement. I, therefore, conclude by recommending the adoption of the Central Committee's Resolution on Mr. Johansson's Paper.

**Dr. G. Fauquet, France:** In the course of my speech I shall oppose certain of the general tendencies of Mr. Johansson's Paper on a point which I consider fundamental to co-operative action and thought. First, however, I must pay tribute to his fruitful activity, his vigorous spirit of enterprise, which are constantly directed towards new co-operative achievements.

What I do not agree with is Mr. Johansson's general conception of international co-operative economy, which he seems to think should be entirely formulated within the scheme of a Consumers' Co-operative Society. I quote from his text: "According to the co-operative principles, productive and distributive enterprises should be owned by the buyer, i.e., the consumer. . . . Only co-operation between the consumers of the different countries can create such relations among the states which would make it possible to avoid conflicts."

Mr. Johansson advocates industrial enterprises owned and managed for their common needs by the Wholesales. Far be it from me to disregard the importance of international co-operative enterprises of this type, such as Luma and the International Co-operative Petroleum Association. Such enterprises should be encouraged and multiplied, but let us guard against generalising. According to Mr. Johansson—and this is his central idea—this type of enterprise, if it were carried to the source of raw materials could, by means of complete integration, solve the problem of relations between buyer and seller. He quotes, as a concrete example, the importance of transforming the tea-producing enterprise of the British Wholesales into an enterprise open to all Wholesales which are buyers of tea. But this concerns an enterprise in which the Indian and Ceylon tea producers are employees of the British consumers. This case cannot be generalised. Again, it cannot be imagined that the Danish butter producers or the Canadian wheat growers can be changed into employees of a wholesale enterprise of other countries. And even in such a case, the relations between buyer and seller would be maintained as regards the remuneration of labour. We cannot, therefore, exclude economic relations, the idea of the exchange of products and services, an exchange definitely demanded by the international division of labour.

The rôle of the International Co-operative Trading Agency will be to satisfy the needs of its members, whether they be importers or exporters. If it succeeds, as there is every reason to hope, it will be a sort of keystone of international co-operative economy, provided, as is possible and desirable, it receives the active support of the commercial organisations of all forms of Co-operation. That, of course, does not exclude the creation of specialised enterprises which also should be open to all forms of Co-operation whose needs they serve. So far as co-operators are concerned there is no irreconcilable antagonism between producers and consumers from the point when both base their attitudes on mutual respect for each other's conditions of work and life.

I have sharply criticised the central idea of Mr. Johansson's theories, but, between co-operators, it is always possible to find practical means of conciliation. Accordingly, with the help of our Belgian, Swedish, and Swiss friends, we have arrived at a conciliation which is expressed in a text which I will read. My remarks, I would emphasize, were only concerned with the ideas contained in the first paragraph of the Resolution, and this is how, with Mr. Johansson's agreement, we propose to amend that paragraph:—

“ The Congress, considering that the co-operative programme implies the conciliation of interests between consumers and producers, and, therefore, a co-ordinated activity between the different forms of co-operation;

Recommends that, in those regions where it is appropriate, the National Co-operative Wholesale Societies and other National Co-operative Organisations shall establish joint international enterprises in different branches of production and trade;

It also recommends the affiliation of the Central Organisations of Consumers', Agricultural, Workers' and Artisans' Societies to the International Co-operative Trading Agency, and to the International Co-operative Petroleum Association.”

I hope that by referring this text to the Resolutions Committee it will be possible to find an acceptable text.

Mr. A. P. Klimov, U.S.S.R., interpreted from Russian: I move that the Congress shall not accept the Resolution proposed by Mr. Johansson, but shall ask the Central Committee and the Executive to work more energetically for the development of international co-operative trading relations on the lines of existing relations between National Co-operative Organisations.

As regards the position which Mr. Johansson takes up, it is necessary first of all to deal with the analysis of the International Trade Organisation set up at Havana. We consider that the rules of the I.T.O., approved at Havana in March, 1948, by the International Trade and Employment Conference, were worked out in 1945 on the initiative of the United States on the basis of American proposals concerning the improvement of international trade and employment. The rules officially declare that their aim is collaboration between the members and the United Nations Organisation in the domain of trade and employment in order to achieve a higher living standard and full employment in the conditions of economic and social progress and development. But, in fact, the American monopolists seek, with the help of the I.T.O., to introduce demagogic principles of



"equal possibilities," "non-discrimination," and so on, to foster the lowering of custom duties and the liquidation of all possible limitations upon imports, thus making it possible for their goods to appear on the markets of the world and for the economy of other lands to be subordinated to their own purposes. I have no time to deal fully with this subject, but there are certain points I want to mention. In Part III of the Rules, Article 15 forbids the introduction of preferential systems, but, at the same time, allows preferential agreements between some countries if they are not against the interests of other members and if the I.T.O. gives its consent. As the U.S.A. will play a leading part in the I.T.O., this means that questions which concern preferential relations will be decided by the U.S.A., and will be allowed only when they do not infringe upon American interests. Article 17 in Chapter IV, which is concerned with trade policy, imposes upon any member the obligation, at the request of another member, to start negotiations having in view the reduction of customs duties and preferences. This reflects the efforts on the part of America to lower customs duties on goods in which she is interested. The Geneva customs agreement, signed in October, 1947, showed that the United States, having achieved an important reduction on duties in other countries, had reduced its own duties only to a very small extent, and in this way had increased the income of the U.S.A. on imports and exports. Article 18 requires members not to impose upon goods imported from another member direct or indirect taxes or duties higher than those applied to the same goods produced at home. In other words, it obliges the members of the Organisation to apply to imported goods no higher taxes than would be levied on home-produced goods. In this way the national economy of economically weak countries will be undermined.

Articles 20 and 21 abolish import quotas, licences, and other quantitative limitations on the import of goods into any land which is a member of the Organisation. The American monopolists have been fighting for this for a long time. The rules allow the introduction of quantitative limitations, quotas, and licences for imports which are due to exchange difficulties and the preservation of the balance of payments, but the decision regarding the balance of a country which is a member of the Organisation must be made by the Monetary Fund, in which the U.S.A. plays a decisive part. Article 29 emphasises that every member of the Organisation, when concluding a trade agreement for buying or selling, must have regard only to commercial considerations. Discriminations which exist in the United States against the Soviet Union and the countries of the new democracy with regard to foreign trade prove that the U.S.A. is striving to impose on other countries obligations which it does not itself fulfil. This Article, therefore, cannot give to future members any guarantee against discrimination on the part of the United States against them.

Article 31 deprives of independence a state having a monopoly of foreign trade so far as regards the question of prices and the quantity of imported goods which American monopolists would like to sell in unlimited quantities and at high prices. Article 39 makes it obligatory for the members of the Organisation to forward to the I.T.O. statistical data concerning the import, export, and transit traffic of goods, of goods in store, and funds, as well as the income of the member states from foreign trade and taxes. These conditions will help the interested countries to carry out economic espionage and to utilise the weak spots in the economy of different countries for political purposes.

All these articles from Chapter IV of the Rules of the I.T.O., where the basic principles of international trade are mentioned, reflect the expansionist strivings of the American monopolists.

Chapter V, which deals with the limitation of trade practices, contains Article 46 which gives to the I.T.O. and its members the right to interfere in foreign trade questions concerning any other member of the Organisation, and to dictate to such member the conditions of trade used by the strong members of the Organisation. This means, in other words, the abolition of the economic independence of a member-country. All the Articles of Chapter V have as their aim to support the interests of the U.S.A. against international cartel agreements of other countries. Although the rules of the I.T.O. oblige it to study the activity of cartels and to make recommendations, it cannot force active measures to be taken in the fight against international cartels.

In Chapter VI, which deals with international trade agreements, Articles 55, 56, and 57 provide that the trade in some raw materials which might infringe upon the equilibrium between production and consumption, or, where those raw materials were accumulated, might influence prices, must be dealt with by inter-governmental agreements. These Articles express the efforts of the U.S.A. to obtain the permanent delivery of raw materials at advantageous prices.

In March of last year, at the Geneva meeting of the Preparatory Committee, the U.S.A. signed agreements with fifteen countries covering all kinds of goods. The conclusion of inter-governmental trading agreements does away with the possibility of organisations of groups of exporters opposed to the interests of the U.S.A., and gives it the possibility of retaining the export markets which it has acquired, also to recoup itself for the customs duties on many goods, thus helping to develop the foreign trade of the United States. The American monopolists are in a hurry to make use of the post-war difficulties of England, France, and other countries, in their own interests.

Summing up what I have said, it is clear that the Soviet Co-operative Organisations cannot agree with Mr. Johansson's proposal to approve the proceedings of the Havana Conference and the Rules of the I.T.O. The Soviet delegation moves that the Congress shall not approve the Resolution put forward by Mr. Johansson, and I am sure that I express the opinion of many of the delegates here when I say that countries which are in favour of International Co-operation must be against the organisation of the I.T.O., based as it is upon faulty principles and faulty rules.

Mr. N. Thédin, Sweden: It was with very great expectations that I listened to the speech of Mr. Sidorov, because here we are dealing entirely with practical problems, and not with the question of whether we desire peace or not; we are dealing with the problem of what Co-operation can do in order to promote peace. Mr. Sidorov said very little about that. He talked about the Marshall Plan, which is entirely irrelevant in this connection. I have no reason to discuss that problem now, but let me very briefly point out that the granting of credits to the countries whose economy has been severely damaged during the war seems absolutely necessary in order to speed up reconstruction. That is why Sweden has granted a very large credit of, in total, Swedish Kr.4,000 million, to a number of countries, among them the Soviet Union.

**Mr. Sidorov** talked about unemployment, and said that only in the U.S.S.R. had this plague of the working class been liquidated. That is wrong. Sweden is one of the countries which have full employment.

Our task to-day, however, is not to discuss this question, but to tackle a much more important problem, the problem of what Co-operation can do, what practical action co-operators can take, to promote peace. There are certain conclusions, as Mr. Johansson has pointed out, that can be drawn from our national work. We know that co-operators in various parts of the world have exactly the same interest, to buy consumers' goods as cheaply as possible, and therefore they have created their own wholesales and productive enterprises. But this community of interest does not stop at the national borders. In the northern countries we have established a Joint Wholesale Society which serves the co-operative consumers in all the Scandinavian countries. The International Co-operative Trading Agency and the I.C.P.A. have a still wider scope, and if their activities can be gradually expanded to attain world-wide importance, what does that imply? It means that in a world of conflicting national interests and ideologies we create true international enterprises in which people from all the corners of the world have a common interest. That is true internationalism; it is practical work for peace and understanding.

Unfortunately, however, we cannot go very far along this road towards constructive peace as long as economic nationalism puts excessive barriers in our way; it must, therefore, be one of our most important tasks, indeed, our most important task to-day, to mobilise our resources in order to eliminate the obstacles to constructive international collaboration between the Co-operative Movements in the different countries. Mr. Sidorov, on the other hand, recommends the development of trade relations between National Co-operative Organisations. It is of very great value that we have such relations, even though they are not based exactly upon the Rochdale Principles of common ownership and control; but it is not a new or revolutionary idea, because we have worked in that way for more than 20 years. I would point out also that even this method has to struggle with tremendous difficulties as long as international trade is hampered by currency restrictions and excessive trade barriers. If Mr. Sidorov wants to put his proposal into effect, he must in fact support the main principles of the International Trade Organisation. We can make a contribution to the work for peace by expressing our sincere desire for less restricted conditions of trading, and I therefore appeal to Congress to accept the main principles laid down in the Resolution before us.

**Mr. H. Taylor**, Great Britain: In common with the British delegation generally, I find myself on behalf of the Co-operative Productive Federation in full agreement with the Resolution and with the main contentions advanced by Mr. Johansson; but in the building up of the Paper there are quite a number of glaring contradictions, and many of the statements made are not in accordance with the facts. This applies particularly to the references to the Productive Societies in Great Britain. We never weary of repeating that the glory of Co-operation lies in its catholicity and universality, and yet we find in the Paper many restrictive and very one-sided declarations. For example, emphasis is placed on the Rochdale Programme, but the Declaration of the Pioneers, to which we are always referring, included

production, and did not over-emphasize the importance of consumers. Mr. Johansson, however, is most dogmatic that the organisation of Co-operation on an international scale must be on a consumers' basis. The whole of the statements in the earlier part of the Paper raise once again the old bogey of producers and consumers, and we find again that artificial distinction made by the old economists of the School of Adam Smith and his contemporaries in the 18th century. We want to know where the producer ends and the consumer begins; who are the producers? If you come to fine distinctions, both producers and consumers are part of one whole, the individual. If there were no producers, there would be no consumers. But, Mr. Johansson goes so far as to say that there is a fundamental difference between producers and consumers. There is an obvious difference in respect of organisation but, I would submit to Congress, certainly not a fundamental one. Organisations may be altered, changed, or modified, and yet their structure may be maintained without the actual foundations being affected; the purpose, principle, and ultimate objective remain essentially the same. It is, therefore, an exaggeration to suggest that there is a fundamental difference.

Turning to the section of the Paper dealing with Productive Societies, I cannot say with that degree of dogmatism which characterises the statements in the Paper anything about the structure of the many French, Italian, Polish, and other Societies, but I can speak about the structure of British Societies. The Productive Societies in Great Britain have a democratic constitutional basis, and in many instances the Managing Boards include representatives not only of the workers but of Consumers' Societies and of individual shareholders sympathetic to the cause of co-operative production. The only conclusion at which a reader could arrive from reading the first two pages of this Paper is that Productive Societies are organised by the workers for themselves and by themselves, that they seek to exploit the consumer, while emphasis is placed on the workers' endeavours to obtain the highest wages and profits. As regards wages, Co-operative Productive Societies were of great value in assisting in the extension of the power and influence of Trade Unions in Great Britain, because, in view of the security which their workers enjoyed, they were able to advocate the extension of Trade Unions without any fear of penalisation or victimisation. The employees do not rely on trade unions for wage standards or the division of surplus; the profit or surplus, according to the rules of the Society, is allocated to the workers and to customer Societies on a fixed basis, while the rate of interest is also fixed and does not fluctuate in accordance with the Society's fortunes. We can definitely affirm that not only before the war but especially in the war years the Productive Societies have been of considerable assistance to Consumers' Societies, Trade Unions, and also Government departments. For instance, the Productive Societies and the Productive Departments of the Wholesale Societies gave great assistance in the framing of the utility schedules of the Board of Trade.

As I have said, the whole inference to be derived from this Paper is that the Productive Societies are founded solely for self-interest, for the benefit of a relatively small number of co-operators, and that they are, therefore, somewhat suspect from the point of view of real Co-operation. Productive Societies, in fact, give the right of self-expression in industry, they make a contribution to Co-operation through the medium of the factory, and supply the Consumers' Societies.

I find myself in full agreement with Mr. Johansson; however, when he emphasizes the shortage of materials and the urgent need for an increased production of goods. This applies to all countries, for every country to-day, including Great Britain, is suffering from a lack of raw materials. There seems to be an impression abroad, and it has been emphasized in this Congress, that the key to the problem is to be found in the contribution to be made by Great Britain, but we are all conscious that it is an international problem, and goes much deeper than anything to which reference is made in this Paper. I wish, therefore, in the name of the British Co-operative Productive Federation, to suggest to this Congress that, whilst the fundamental principles of Co-operation remain, their practical expression may differ in various countries, and any contribution which can be made, whether it is on a consumer basis or a producer basis, is one which should be welcomed and encouraged. There should be no suggestion that Co-operation is a one-way channel and that only through one channel can the universality of Co-operation be obtained.

**Mr. Ch.-H. Barbier, Switzerland:** I do not intend to discuss or criticise Mr. Johansson's Paper, but the Swiss delegation shares the views and criticisms of Dr. Fauquet, while, like him, paying tribute to Mr. Johansson's magnificent work. I should, however, like to emphasize that the Paper as a whole seems to emit a perfume of liberalism which we find difficult to reconcile with the organised liberty which co-operators desire, which we tried to define at the Zurich Congress, and which we shall try to define more precisely still in the discussion on Mr. Peddie's Paper. But we should not like there to be differences between Mr. Johansson's and Mr. Peddie's Resolutions which might make them irreconcilable. Therefore the Belgian, Swiss, and French delegations, in agreement with the Swedish delegation, have discussed this Resolution together, and it is on the basis of a perfect understanding with Mr. Johansson and our Swedish friends that we propose the following amendment, slight in form, but fundamentally quite important, to the second paragraph.

“ The Congress greets with satisfaction the beginnings of an international trade less restricted and better adapted to the needs of the consumers, also an expansion of world markets foreshadowed by the adoption of the principles which form the basis of the Charter of the International Trade Organisation.”

Further, we propose, and Mr. Johansson agrees, to delete from the end of the second paragraph the words “ and expresses the hope that the results of this Conference will lead to united efforts by all countries to utilise the riches of the earth in common ”; also to delete completely the last paragraph of the Resolution.

We do not under-estimate the importance that co-operators should understand the new task which they are proposing to undertake; but for the reasons which the Swiss delegation explained at Rome, we would rather drop the paragraph altogether than pass a Resolution which might eventually be merely a pious wish.

**Mr. J. Davidson, Great Britain:** I move “ that the question be now put.”

This motion, which was seconded, was carried by 547 votes For to 439 votes Against. The President therefore declared the discussion closed.

**Mr. A. Johansson**, replying to the discussion, said: The Russian delegates do not like the International Trade Charter, but I would remind them that this Charter was the result of discussions between 53 independent countries according to democratic form, and was not, as the Russian speakers appeared to think, a *diktat* imposed by the U.S.A. We are all interested in helping to remove excessive trade barriers, and I cannot believe that Mr. Sidorov represents an Organisation which would not wish to take part in action for free International Co-operation. I fully accept the amendments presented by Dr. Fauquet and Mr. Barbier, as a compromise, because they are not against the main idea of the Resolution.

**The President:** Before we vote on the Resolution I will read the text as it has been amended in agreement with Mr. Johansson.

**The 17th Congress of the International Co-operative Alliance**, considering that the Co-operative programme implies the conciliation of interests between consumers and producers, and, therefore, a co-ordinated activity between the different types of co-operative enterprises—

Recommends that, in the countries where it is possible, the National Co-operative Wholesale Societies and other National Co-operative Organisations shall establish joint international enterprises in their different branches of production and trade.

The Congress further recommends the affiliation of the Consumer Co-operative Organisations, of the Agricultural and of the Artisanal and Workers' Co-operative Associations to the International Trading Agency and to the International Co-operative Petroleum Association.

The Congress greets with satisfaction the beginning of a development towards international trade less restricted and better adapted to the needs of the consumers, also towards an expansion of world markets, which is foreshadowed by the adoption of the principles which form the basis of the Charter of the International Trade Organisation by the United Nations Conference on Trade and Employment in Havana, signed by the delegates of 53 nations, representing 90 per cent of the present volume of international trade.

The 17th Congress of the International Co-operative Alliance, which comprises National Co-operative Organisations with an aggregate membership of 95 million, recommends that the National Co-operative Organisations should direct all their efforts to influencing the Governments and Legislative Authorities in their respective countries to carry into effect the main principles embodied in the Charter of the International Trade Organisation, with a view to ensuring for the Co-operative Movement the degree of freedom in international trade which is required for establishing successful Joint International Co-operative Productive and Trading Enterprises.

To that compromise Resolution there is an amendment by Centrosoyus in the following terms which I will first put to the vote:

“ The Congress desires that Mr. Johansson be requested to vary his Paper in the light of the discussion and to submit his revised Paper to the next meeting of the Executive; further, that the Executive be charged to carry on more energetic work for the development of international co-operative trade negotiations between National Co-operative Organisations.”

The voting was as follows: For the Centrosoyus amendment, 428; For the Resolution, 562.

**The President declared the Resolution adopted.**

**Paper on**  
**The Co-operative Attitude to**  
**Nationalisation.**

**By James M. Peddie, M.B.E. (Great Britain).**

# The Co-operative Attitude to Nationalisation.

By James M. Peddie, M.B.E. (Great Britain).

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*In this Paper the attitude of the Co-operative Movement towards the development of State activity in the form of Nationalisation is discussed.*

*The recent developments in Britain afford an opportunity for the detailed consideration of Co-operative reactions to the growth of Nationalisation.*

*Reference is made to the historical, economic, and political circumstances that largely influence the individual point of view and approach to the question in various countries.*

This is an age when the pressure of economic events compels the adoption of new methods to secure a more orderly control of our economic life. It is not the need for, but the form of, such changes which stimulates the most serious discussion to-day.

For generations socialists condemned the old principle of *laissez-faire* and clearly foresaw its consequence in the sprawling unco-ordinated development of 19th century industrialism.

The principle was condemned as wasteful and uneconomic. But it was more bitterly denounced for the selfish exploitation it sanctioned.

Moral consideration, therefore, provided a greater urge to the critics of private capitalism than did the more scientific economic conceptions. It was, perhaps, this ethical rather than economic emphasis which was responsible for the early reformist approach to the problem. Various, if not conflicting roads were followed by the Reformers.

The Trade Unionist sought through combination to effect improvements in his wage standards and industrial conditions. Although some of the earlier Unions had revolutionary aims, ultimately trade union organisation confined itself to the more limited field of agitation for protection and improvement of the economic interests of its members within the industry covered by the Trade Union.

The Co-operative Movement, following its experimentation in the Robert Owen era, developed consumer association to bring economic benefit to its members through mutual aid. Political action to supplement their economic efforts was on the whole rejected, and political neutrality was sought until 1917, when circumstances forced the establishment of the Co-operative Political Party.

Co-operative consumer organisation in Britain developed steadily within the institution of free capitalism, although by the very nature of its ideals it challenged the principle of *laissez-faire*. The manifesto of the Rochdale Pioneers was positive, ambitious, and, indeed, revolutionary. It indicated an objective—that of the establishment of a Co-operative Democracy.



The third field was that of political action. Here development was more disjointed.

The Chartists of the 1830's saw clearly the blatant injustice of the political system and sought amendment, believing too optimistically that the reforms they demanded would achieve economic freedom.

Yet their experience paved the way for the development of political socialism. Later in the century the Fabian Society focused attention upon the practical economic aspects of political action. Trade Unions formed their "political pressure" groups concerned with social reform. Out of this mixture there emerged the Labour Party, which ultimately sponsored a socialist policy.

Throughout all this period of development the three wings of the democratic movement found an almost unconscious unity in one central objective—that of condemnation of the exploitation which sprang out of private capitalism.

Therefore, there was little or no possibility of active conflict of opinion between the co-operator and the socialist.

The progressive co-operator had as his objective a Co-operative Commonwealth, and the political socialist looked forward to the Socialist State. When the goal was some distance away both roads lay in the same general direction, and it was only the meticulous theorist who would concern himself with what each conception precisely meant.

But the growing intervention of the state in economic life, culminating in Britain in the election of a Labour Government and the implementation of a "limited programme" of nationalisation, has turned the question from one of theoretical and philosophical interest to an urgent problem of immediate practical importance.

### **The Development of Nationalisation in Britain.**

Nationalisation is no new principle created in Britain by the Labour Party.

The British Post Office—one of the earliest examples of public ownership of a business enterprise operating on a national scale—was established 300 years ago. This was an isolated case. There is no considerable history of the development of public enterprises until the later years of the last Century when Local Authorities began to establish their own schemes for the supply of water, gas, electricity, and transport under the very rigorous supervision of Parliament.

Arising out of municipal trading ventures there sprang the conception of Joint Boards to cover wider geographical areas, of which two typical examples are the Mersey Docks and Harbour Board and the Metropolitan Water Board. The Port of London Authority—an early example of the establishment by legislation of a public body to take over the functions previously undertaken by private interests—is described by Sir Arthur Street in *The Public Corporation—British Experience* as "foreshadowing the opening of a new chapter of Public Boards operating on a National Scale and serving a National purpose."

The years following the World War No. 1 saw the first steps towards the development of the Public Corporation.

These Boards assume various types of public control, but not the older form of direct operation by Government Department. It is merely necessary to quote examples. These were:—

The Central Electricity Board, 1926 (now superseded), which was subject to indirect control by Parliament.

The British Broadcasting Corporation, 1927, created under a Royal Charter and not subject to direct Parliamentary control in matters of policy, but its Board is chosen by the Crown.

London Passenger Transport Board, 1933, was an interesting development. In the Labour Government, 1929-1931, Mr. Herbert Morrison, then Minister of Transport, in an effort to unify London Transport, introduced a Bill which would have established the first public corporation based upon the newly enunciated principles, which were direct appointment and ministerial responsibility, financial autonomy, administrative freedom. But it was not to be. The Conservative Government of 1933 created the London Passenger Transport Board.

The main feature which distinguished this body from a capitalistic concern was the method of appointment, which was handed over to "appointing trustees," such as Presidents of the Law Society and the Chartered Institute of Secretaries and the Chairman of the London Clearing Banks. The experience certainly gave impetus to the Labour Party's advocacy of public ownership based upon the Public Corporation.

The British Sugar Corporation, 1936, created to encourage the Sugar Beet Industry was, in fact, a capitalist concern, but with Chairman and two Directors appointed by the Minister. The principal interest on its debentures was guaranteed by the State, and it administered an exchequer subsidy.

This does not complete the pre-war record of development of public control, but it indicates the hesitant acceptance of Government authority and responsibility.

### **Public Corporation as a Form of Nationalisation.**

Following the War, and with the advent of the Labour Government, a more developed form of public corporation came into being as a definite instrument of Nationalisation.

The following indicates briefly the structure of the new Corporations:—

Bank of England. The whole of the stock has been taken over by the Treasury nominee. The Court of Directors is appointed by the Crown with freedom of action, but subject to any directions the Treasury may issue in the public interest.

National Coal Board. All collieries in Britain have been taken over by the National Coal Board. Members of the Board have functional responsibilities and are appointed by the Minister, to whom the Board makes an annual report. The Minister may give directions to the Board on matters of national policy. Compensation to previous shareholders was given in Treasury Stock.

**The National Coal Board has no issued capital, but draws its finance from Treasury funds.**

**Cotton Commission.** The function of this body is the purchase, importation, and distribution of raw cotton. Its members are appointed by, and are subject to, the direction of the President of the Board of Trade. It is financed from Treasury funds.

**British Electricity Authority.** This has superseded the old Central Electricity Board. Here there is a Central Authority and 14 Area Boards. The Central Authority consists of a Chairman and six members appointed by the Minister of Fuel and Power, together with representatives of Area Boards, the latter also consisting of members appointed by the Minister. In addition, Area Consultative Councils have been created, each of which has a member on the corresponding Area Board.

The Minister may give directions to the Central Authority, and must approve programmes of re-organisation of large-scale character. The Central Authority generates electricity and provides bulk supplies for distribution by the Area Boards. These Area Boards report annually to the Central Authority, by whom their expenditure must be approved. Shareholders of capitalistic concerns were compensated by an issue of British Electricity Stocks, and special arrangements were made to compensate Local Authorities whose undertakings were absorbed.

**Transport Commission.** To the new British Transport Commission has been transferred all railways and canal undertakings, with some minor exceptions, London Passenger Transport Board, road haulage concerns (excluding certain types of traffic). Short-distance traffic is excluded. Under the Commission, for specialised working, there are five Executive Bodies covering railways, road transport, docks and inland waterways, London transport and hotels. Central and Area Transport Consultative Committees have been established, and rates will be dealt with by a Transport Tribunal.

The Commission may issue British Transport Stock (guaranteed by the Government), and has done so for compensation of existing shareholders. The Minister may issue directions, and receives an annual report. His approval is required for specified matters, including large schemes of expenditure.

Several prominent British Co-operators have been offered, and have accepted, responsible positions on the various Boards governing the new nationalised industries.

This does not exhaust the list of public corporations which have been established. (The Colonial Development Corporation, with its associate, the Overseas Food Corporation, is an interesting, though not strictly relevant, example of a public corporation without monopoly powers, but with wide trading activities.)

Enough detail has been given, however, to show the framework and degree of public control. It may be added that it is a matter of political controversy at the moment that Ministers cannot be called upon to answer questions in the House of Commons on the day-to-day operations of most of these organisations.

The statutes which establish Public Corporations normally provide for the appointment, by the Minister, of Councils representative of various classes of

consumer and of the Boards concerned. They have an independent existence from the Boards with which they are associated. They do not take executive decisions; their function is to provide a medium for the exchange of information of mutual interest to producer and customer, to ventilate grievances which, if necessary, they can usually bring before the responsible Minister.

Mention should be made at this stage of the pre-war Marketing Acts which, although they did not create public corporations, did provide for the establishment of trading monopolies operated by representatives of agricultural producers. This legislation might provide a model for some future schemes, although at the moment the trend of opinion is probably unfavourable to producer control.

### **Factors Determining Form of Nationalisation and Choice of Industry.**

This brief review of the principal measures of Nationalisation in force in Britain to date leads to considerations of two aspects of the subject which are of special significance—the form of the nationalised undertaking and the factors which lead to the choice of a particular industry for nationalisation.

It will have been observed that there is not in Britain any set form of organisation for nationalised undertakings. The method varies from direct operation by a Government Department to rather loose public control of a privately owned enterprise. The factors which have dictated the details of each of these public corporations have included the political complexion of the sponsoring Government, the economic and physical structure of the industry itself, and the degree of influence and negotiating power possessed by the previous operators. But in addition there has been a constant striving to find a formula that would combine safeguards for the public interest with flexibility of control, speed of action, business efficiency, freedom from red tape, and bureaucracy. The problem is, of course, a specially difficult one because nationalised undertakings are essentially large scale and invariably monopolistic in character.

This problem of safeguarding the public interest has been summarised by Sir Arthur Street, who was until recently a distinguished Civil Servant, and is now Deputy-Chairman of the National Coal Board:—

“Public Corporations managing whole industries on behalf of the people wield enormous economic power. They are, in general, far more powerful than the companies they superseded, and it is right that they should be answerable in some way to the representatives of the people.

The problem is how the accountability of Public Boards to Parliament can be secured without harassing them to the point of frustration, and without impairing the responsibility which Parliament intended them to have for the day-to-day running of their industries.”

Sir Arthur Street goes on to discuss the special interest of consumers and to advocate the development and use of both consumers' councils and rate-fixing tribunals to safeguard consumer interests. The importance of this aspect of the matter will be appreciated when we come to discuss Co-operation as an alternative system of communal control.

The second aspect of Nationalisation to which attention was drawn was the factors dictating choice of an industry for nationalisation.

In Britain there is general agreement that a much higher degree of public control for our economic life than existed before the war will be a permanent feature of Government policy in the future. Public control, however, need not mean public ownership, and it is a matter for examination on what principles nationalisation was resolved upon for the industries taken over, and what other enterprises an application of these principles might indicate as future candidates for nationalisation.

Some believe that public ownership need not be extended to the whole industry. If typical units are nationalised they can afford a standard by which the Government can assess the performance of undertakings remaining under private control. During the war the aircraft construction firm of Short Brothers was taken over by the Government in consequence of dissatisfaction with its efficiency and output. The firm has remained under State ownership whilst the rest of the industry is still under private enterprise. In some cases nationalisation of a key undertaking may give sufficient control for the whole industry to meet the needs of the Government and avoid the necessity for detailed administration of the whole industry.

It would be as well to examine some of the reasons associated with the various nationalised industries that have provided the primary justification for nationalisation.

**Coal Industry.** The coal industry is fundamental to the prosperity of Britain and provides raw material upon which practically all our basic industries are founded. The inefficiency of the industry, however, had been recognised for generations. Lord Sankey in 1919 and the Samuel Committee of 1925 suggested nationalisation, but neither proposal was acted upon. British collieries were technically inefficient in the sense that they were failing to make the best use of mechanisation, and one of the reasons put forward for the lack of progress was the multiplicity of ownerships involved.

In 1938 the Conservative Government took what was for it a revolutionary line when it nationalised royalties and the State assumed ownership of all unmined coal and paid a compensation to royalty owners. Even this was ineffective, and such collieries as were willing to introduce modern mechanised methods were handicapped by their inability to obtain adequate capital.

It was largely these factors, reinforced by consideration of the long history of industrial disputes in the mining industry and the energetic pressure of the Unions, which automatically caused the Labour Party to consider mining as an early candidate for nationalisation.

**Transport Industry.** Railways are a natural monopoly. This has been recognised from the very early days and, in consequence, the railway industry has almost throughout its history experienced a measure of close control by the State. In return for operational monopoly they had to accept obligations regarding services in less profitable areas and were legally prevented from exercising discrimination between individual users.

The early promotion of railways in Britain, particularly between 1840 and 1860, and their unhappy record of expensive litigation and parliamentary

promotion had its prejudicial effect upon railway finance. The regrouping of railways into four main lines when they were handed back by the State after the first world war might have sufficed to maintain efficiency but for the advent of serious competition from road transport. Certainly if road transport, unhampered by the common carrier restrictions imposed upon the railways, had been able to take the cream of the traffic, the balance left for the railways could not have been carried at economic rates.

It is obvious that in the national interest railways should continue in existence, and a policy of subsidy to private enterprise appeared to the Labour Government much less attractive than outright national control.

The ultimate purpose of the Transport Act is to secure co-ordination of road, rail, and canal transport. The full fruits of this policy will not be apparent until the British Transport Commission has been able to make progress with the co-ordination of road and rail.

**Electricity and Gas.** Both Electricity and Gas need, at least, conditions of local monopoly. As in the case of railways, electricity and gas undertakings have been treated as public utilities, and granted a degree of monopoly, in return for which they have been subjected to restrictions greater than those imposed upon ordinary competitive businesses.

The scale of electricity generation has risen until modern power stations are capable of supplying an area greater than that of their original franchise.

Prior to nationalisation, national ownership of the grid system had been interposed between generation and local distribution of electricity. With or without nationalisation, it had become necessary to plan electricity generation upon a nation-wide scale, and it would be most undesirable to allow the creation of such a vast private monopoly. Thus, nationalisation of the gas and electricity industries can be considered almost a logical development.

In view of the keen competition\* between gas and electricity it would not have been desirable to have a nationalised electricity competing with un-nationalised gas.

Thus strong economic reasons provided an urge towards nationalisation of those basic industries already dealt with quite independent of the political acceptance of collectivism in our economy.

### **Movement's Support of Nationalisation.**

Sixteen years before the final abandonment of political neutrality and the establishment of the Co-operative Political Party, the Co-operative Congress of 1901 was demanding the nationalisation of land and railways.

That was long ago. The possibility of the accomplishment of such a proposal was remote, and the Movement had little or no fear of its own services being involved. Nevertheless, as far back as 1905 Hans Müller, at the Paisley Congress, made the following statement which even to-day has the ring of topicality:—

“In principle, however, I allow that the organisation of the masses' purchasing power is not limited to the co-operative form. Surely much

**in this direction can be done by the older existing forms of Communities, the State and Municipalities.**

**“ In my opinion this movement for municipalisation comes very near in its essence and ends to ours, and, I believe, therefore, that a co-operator who understands the principles of his Movement thoroughly has good reason, as a citizen, to help to further and extend public enterprises of the community.**

**“ I further allow that the State is able to take its share in solving the problem of the organisation of our industrial life on the basis of organised consumption, not only by means of laws but also by nationalising certain important branches of industrial activity. The state post and telegraph services have proved in every country a necessity, and the nationalisation of railways seems to me also a step in the right direction. Certainly the State could carry on many other branches to the advantage of the whole people, especially in countries where the Government is democratically organised, so that the people might be able to control the administration of the nationalised industries, and to so prevent them being exploited for the benefit of the few.**

**“ But in admitting that co-operation has its boundaries I must also accentuate that the activity of the most intelligent and enterprising town and county councils, and of such parliaments as are fond of nationalising, is limited too, and, therefore, co-operation will always find plenty of great problems to tackle, the more so as a free, democratic feeling people will not allow the State's authorities a progressive meddling in its economic affairs.”**

**At the 1928 Congress a Co-operative Party Programme was submitted which called for an Act of Parliament for the ownership of land and the nationalisation of coal-mining and electrical power.**

**In 1939, in a resolution dealing with the Wheat Quota and Imperial Preference, the Movement's demand for the public ownership of land was repeated.**

**A resolution on the General Election, passed as recently as the 1945 Congress, called on a Co-operative and Labour Government to secure “ the full employment of the nation's manpower and resources and such public ownership and general direction of economic policy as are necessary to achieve it.”**

**Thus, over a long period and up to recent times, the Movement has given its support consistently to the policy of limited nationalisation.**

**The logical expression of such a policy is the assumption that the British Movement has recognised, either consciously or unconsciously, clearly defined fields of operation for the state and co-operation.**

**In 1943 the National Authority submitted a report to Congress on Post-war Reconstruction, which was approved. In this report it was urged that “ land and mineral wealth should be acquired by the nation.” Railways, shipping, canals, and aviation were declared suitable for State ownership and control, and further than that the suggestion was advanced that certain utility services, at that time privately owned, should be taken over by Municipalities or Regional Boards. With regard to certain other industries,**

State control (but not ownership) through Boards representing consumers was advocated.

The Co-operative Party has, as part of its policy, consistently expressed the belief in the nationalisation of the Bank of England, and indeed gone further in advocating the establishment of Municipal Banks.

The fact that these quotations indicate general acceptance of measures of nationalisation in the fields affected should not be interpreted as implying uncritical acceptance of nationalisation in any form. Mr. G. L. Perkins, in his Congress Presidential Address in 1947, said:—

“ While they had fully consented to the nationalisation of certain basic services—mines, the Bank of England, Transport, and Power Undertakings—it did not mean that the Co-operative Movement was prepared now or later to enter into a suicide pact for the transfer of its services, trades, and industry, to any National Board or State Corporation.

“ There was no reason to suppose that the Government had any intention of undermining the position of Co-operative Societies, but there were people who talked glibly of progressive and extensive nationalisation. Unfortunately, some co-operators were inclined to accept that proposition. There was no reason why the Co-operative Movement and Socialism should not travel along parallel lines. But the Movement had no intention of merging the economic organisation it had created, or the principles and traditions which it upheld, with the State or municipality—or regarding the State or municipal activity in the spheres in which it had concerned itself as any substitute for Co-operative action.”

A positive statement which indicates a demand for free and unfettered development of the Movement, and by inference challenges the suggestion that the Co-operative Movement could be employed with limited freedom as an instrument of the State within well-defined fields.

This raises a fundamental issue when considering the international attitude of the Movement towards nationalisation.

In those countries such as the U.S.S.R., Bulgaria, and Yugoslavia, where the State is exercising more positive control in all fields of economic life, the Co-operative Movement has accepted a function as an instrument of national policy and is linked in close collaboration with the State. The problem is how far can close collaboration be carried without sacrifice of the freedom of the Movement. Certainly it may be advanced that if the objectives of the State are identical with co-operative ideals, then what appears to be loss of freedom is but a unanimity of interests and a combined pursuit of social objectives.

### **Review of Possible Future Developments.**

The programme of limited nationalisation presented in 1945 by the British Labour Party is almost completed and soon it will have need to formulate its policy of extended socialisation to cover its second term of office.



Nationalisation of the iron and steel industry was foreshadowed in the Election Programme of the Labour Party, but no decision seems to have been taken finally as to whether this will be implemented during the present Parliament. Iron and steel, however, are so essential to the national economy that they must clearly remain under national control whether nationalised or not.

Apart from this industry the Labour Party has not officially resolved upon further nationalisations, although at the Margate Conference resolutions were on the Agenda calling for the nationalisation of chemicals, motors, cotton, shipbuilding, milk distribution, betting, breweries, water supply, and the land, which indicates the constant pressure of the party members for extensive programmes to nationalise as a matter of principle, without reference to economic factors.

Some consideration is being given to the possibility of nationalisation of insurance. No definite policy has been pronounced, therefore the Co-operative Insurance Society has not expressed any official reaction. But it is more than likely that the C.I.S. would not indicate an unqualified acceptance of any suggestion of transfer of ordinary Life and Industrial Assurance from Co-operative to State enterprise.

In the field of distribution documents such as the Report of the Lucas Commission, which suggested public corporations for the wholesale distribution of agricultural produce, suggest that there may be a tendency to consider State intervention generally at the wholesale stage of the distributive process. The widely recognised defects of the distributive system lend colour to this possibility, although there are probably greater inefficiencies in retail than in wholesale distribution.

It is quite possible that future measures of nationalisation might impinge upon what the British Co-operative Movement has looked upon as its special field of operation. The Movement is conscious of this threat and the 1947 Congress authorised negotiations with the Labour Party concerning its future programme. The statement by G. L. Perkins already quoted makes it clear that the Movement's attitude to future measures may be different from its attitude to the previous programme.

Criticism has been levelled at the Co-operative Movement for supporting nationalisation of industry and at the same time violently resisting any suggestion that co-operative trade should be within the ambit of State ownership.

But the real point is that the Co-operative Movement, in its examination of the mechanics of State and Co-operative control, feels that the methods of the former are not suitable to the field covered by Co-operative organisation.

The nationalisation undertaken so far has been confined to public utilities, such as the railways, gas, and electricity, which are best organised on a unified basis for all consumers and in which free consumer choice would be obviously wasteful of resources. The industries which have been or may be nationalised, coal and iron and steel, are at the remote end of the production process from the consumer goods industries, where the strength of the Co-operative Movement lies. The Shilbottle Colliery is the only C.W.S. industrial enterprise which has been nationalised, and the

Co-operative Movement in this case has acknowledged the overriding national interest which justifies this course.

Nationalisation of industries catering directly for the consumer needs would be a totally different proposition. Although certain of these industries, such as flour-milling, are near-monopolies, there is no technical justification for monopoly and therefore no reason why the Co-operative Movement should not continue in these industries for the benefit of its own members, even if factories manufacturing for profit and supplying the non-co-operative market were nationalised. It would, in fact, be to the national interest to continue co-operative production to operate side by side with nationalised factories in every case where the advantages of monopoly are not overwhelming. Thus, if the Government were to decide that the present arrangements in, say, the flour-milling and margarine industries whereby all factories operate as agents of the Government were to be embodied in a formal process of nationalisation, it would be proper for the Co-operative Movement to claim the right to a productive capacity sufficient to meet the needs of its members at any given time. If the purpose of nationalisation were to prevent exploitation of the public, we could rightly claim that the co-operative system by its very nature eliminates exploitation. If it were claimed that the private industries were inefficient we could assert that we were perfectly willing to pit our factories against State factories in fair competition on grounds of efficiency.

The experience in Russia is interesting. After a period of State trading monopoly in the towns, it was officially stated that "the fact that there is no healthy competition between State and Co-operative trade is injurious to trade and retards its expansion." The result was the encouragement of Co-operative trade in the cities as an active alternative to State operation and, to quote *Pravda* comment, "the development of Co-operative trade in the cities will serve better to satisfy the needs of the population, will promote a rise in the level of real wages, and facilitate a further growth of socialist economy."

### **Are Nationalisation and Co-operation Conflicting Philosophies ?**

It is assumed by some that Co-operation and Nationalisation are alternative, and indeed rival, forms of collective control involving two separate and conflicting philosophies. So presumably the development of one must inevitably be at the expense of the other.

To some extent there appears justification for this point of view. In the British Movement the voluntary principle is a vital feature of co-operative organisation, whilst voluntarism can play no part in the present form of nationalisation. Yet the assumption of inherent conflict is not strictly correct. In theory both have ultimately the same economic, democratic, and ethical objectives.

The Co-operative Movement places greater emphasis upon consumer needs and rights, and I believe that the future development of British nationalisation will bring it much closer to the concept of consumer co-operation as we

know it. Thus the stronger influence is likely to be that of consumer organisation.

The following is an illustration of possible trends of development that would support the above contention.

Coal is Britain's most valuable raw material and the future must see a more scientific exploitation of these resources, and great possibilities lie in the development of coal-related chemical industries.

The three industries of coal, gas, and electricity have in the past had inter-industrial competitive development. The three new separate authorities retain in some measure this competition in spite of over-riding directional powers of the Minister. Yet ultimate necessity will demand complete co-ordination and related development, having as its basis the central objective of maximum scientific development of coal resources.

Each of the three industries, particularly mining, have for various reasons a considerable lag in capital development. Thus, during the short period, in order to secure a rapid overhaul in the efficiency of each industry, separate Boards as an interim policy may be justified. But my own opinion is that ultimately some new authority with over-riding powers (more intimate and direct than that created by the Minister) over all the many phases of the Fuel and Power Industries will be needed.

When that day arrives it will be necessary, particularly in view of the varying types of consumer needs which will have to be met, to find some organisational means to provide consumer opinion with a much more positive expression than is at present possible through the Consumer Councils. Thus I make the point that the trend of development in the forms of control of nationalised industries is likely to move more closely to the co-operative conception than the present Boards would indicate.

### **Consideration of the Mechanics of Operation, and Purpose of Nationalisation and Co-operation.**

In Nationalisation there is no simple formula capable of universal application that will provide an answer to the problem of collective ownership and control. Every industry has its own special organisational or economic characteristics that would demand some variant from any standard form of nationalisation. Every nation has its own historical background and economic environment that would justify the development of its own particular form of collective control. In consequence there can be no standardised mechanism of nationalisation.

Let us, therefore, be quite clear what we are dealing with. In estimating the merits and demerits of nationalisation as an alternative to Co-operation we are not considering some tried and tested system, but one that is experiencing almost experimental development.

Against that in co-operation we have a mature method of democratic organisation that has demonstrated, in its own field, its ability to operate and develop with economic efficiency, and at the same time provide a realistic

form of democratic ownership with direct participation and responsibility infinitely greater than what is at present possible under the system of nationalisation through public corporation.

Yet it could be argued that in those basic industries in which nationalisation has been developed in Britain there are conditions which would not easily, or perhaps effectively, permit the adoption of the normal methods of co-operative control. We must judge nationalisation by what it sets out to accomplish and consider how far the methods employed are likely to achieve such social and economic objectives.

Among the most important of these objectives are:—

1. To create the means whereby public ownership can give the people more direct control over their own economic affairs and prevent the pursuit of private profit from conflicting with public interest.

2. To make possible a higher and more stable standard of life, not only for those employed in the industry but the whole community.

3. To ensure the rational development of the nation's resources and the maximum economic benefit from large-scale operations.

4. To secure an extension of the principle of democracy into the economic field.

All are justifiable objectives, particularly when we realise that many industrial nations are to-day experiencing a dangerous growth of large-scale industrial groupings that are bringing about a condition of private monopoly in many fields of production, thus creating the means to operate insidious checks to any policy of national economic planning.

But such aims, as indicated above, are not confined to the advocates of nationalisation. Nor is nationalisation the only instrument by which they can be realised. Co-operative control has indicated greater possibilities of achieving practical democracy in economic affairs than has nationalisation. Therefore the comparative consideration of nationalisation and co-operation is not concerned primarily with purpose, but with the mechanics of operation. Judged from this standpoint Co-operation must be recognised as having its limitations in some fields of industry, but most certainly in its own spheres of operation it provides a superior form of democratic control, and evokes a greater personal interest and participation than does nationalisation. In fact, co-operation finds its greatest strength in its democratic basis, whilst nationalisation, because it operates a control much more remote from the people, inevitably carries at least the danger of restrictive bureaucracy.

A recognition of such facts makes clear that there is no justification for the negative view that the growth of nationalisation must inevitably supersede co-operative control, and that the best we may hope for would be some inconspicuous niche in the planned national economy. A more constructive approach is demanded.

Nationalisation fulfils a necessary purpose in certain industries where the voluntary character and direct consumer participation of co-operation is not

well suited. It is a logical step towards the supersession of private capitalism, But it merely succeeds in being a system of public monopoly and nothing more unless it creates the means to develop a sense of community-ownership and participation.

There are other wide fields of economic activity where the compulsory powers and high degree of centralisation associated with nationalisation are not well suited. Therein lie the legitimate fields of operation for the co-operative system, not as some form of State Agent, but in its own right. Where consumer needs and preferences are dominant, co-operative organisation provides the best form of democratic collective control.

At the moment there is an increasing anxiety on the part of many co-operators in Britain as to the future of our Movement and the part it is to play in the new economy where the State is the dominant factor. Mr. N. Barou has said: "We must make up our minds whether co-operation is a forerunner of socialism during an important stage of the transitional period or whether it is the highest form of collective effort into which all Socialist economy will be finally transformed."

Co-operators are unlikely to accept the implications of the first alternative until there is available a very much clearer picture of the ultimate nature of British Socialism, and more evidence that the State mechanism that is being employed in public corporations is likely to lead us to the highest form of collective effort.

Co-operation can give an equitable distribution of the joint product, and it possesses an infinitely greater capacity for concerning itself with the problems of human relationship than does any instrument of direct nationalisation. It is voluntary in character. That principle is fundamental. To lose it would mean the loss of a vital feature in Co-operative organisation. But the power of co-operation to achieve a completely co-operative commonwealth is limited by its dependence upon universal acceptance.

In a world where critical conditions demand economic planning and compel State intervention, swifter methods of achieving socialism may be thought necessary, yet the fact remains that the greater the number who voluntarily accept socialism, the more likely it is to function. Socialism without democratic acceptance would be a mockery. Therefore the nearer we can get to the ideal of universal voluntary acceptance the more perfect is our socialism. Such voluntary acceptance would be Co-operation.

The Co-operative Movement must indicate in positive terms what it considers to be its place in the new economy where nationalisation is being employed as the instrument of collective control. There are some who, recognising the experience of the Movement in the distributive field, propose that it should in the future function as some sort of State or Municipal Agent.

Professor G. D. H. Cole has said: "I would far sooner see Co-operative Agencies take over the entire supply, accepting such modifications in their structure and control as would be necessary if they were transformed, in those particular fields, from Agencies serving only a section of the public to Agencies with which every consumer would have to deal." Quite an attractive prospect

of big-scale business, but one that would mean the destruction of the principle of voluntary association.

The fundamental premise upon which the attitude of co-operators towards nationalisation and socialism should be based is the rejection of the idea that the complete elimination of voluntary association is necessary to the establishment of a democratic collective economy.

### **The Basis of International Viewpoints on Nationalisation.**

Broadly speaking, in the international sphere the co-operative attitude towards nationalisation falls into two main groups, and such an attitude is conditioned by the national political trends and the degree of active participation of the State in economic affairs.

In the Eastern European countries, the New Economic Policies that are being pursued undoubtedly recognise an important functional purpose for the Co-operative Movement. There the strength of the Co-operatives has grown, but it is strength occasioned by employment as an instrument of the State. The general position was summed up by Mr. Traytcho Kostov, who spoke on behalf of the Government at the first Congress of the newly-constituted Bulgarian Central Co-operative Union in Sofia last October, which the writer attended. "The Co-operative Movement," he said, "is playing an ever-growing part in the execution of the economic plans of the State. There cannot, however, be any doubt that compared with the present democratic People's State, the Co-operative in itself represents an organisation of a lesser and more restricted type. And if this State gains a greater influence in the sphere of industry, if in certain countries such as the Soviet Union, Poland, Yugoslavia, and Czechoslovakia, the State controls a great part of industry, if it controls transport, credit, and the most important positions in the national economy, why then should the State be denied the right to interest itself and to interfere in the field of trade and exchange?"

Thus the attitude of the Movement here implies a recognition of the dominance of State objectives, and the acceptance of a position where Co-operative organisation is employed as a tool or instrument by the State within defined limits dictated by State Authority.

At the other extreme we have the opinion of Dr. James P. Warbasse who, although not entirely representative of American opinion, does forcibly express the apprehension which many American Co-operators feel towards State participation in economic affairs. Recently he wrote: "The mere expanding of the functions of the Political Machine is not in itself a virtue, nor can it be regarded even as radical. My own critical scrutiny shows it to be a reactionary tendency."

In the majority of the Western European nations the suspicion of State activity does not find such vehement expression. In general there is a growing recognition of the right of the State to exercise a degree of direct control in economic affairs in the interests of overall planning. The more immediate and apparent impact of adverse economic conditions makes it, at least for the moment, easier for Western Europe to recognise such a need than is the case in the United States.

Dr. G. Fauquet, in his discussion upon the Public and Co-operative sector, has stated clearly the view which stresses a recognition of a mixed economy and suggests that "Co-operators may find in public action an effective means of control over those parts of the economic process which are strongly held by capitalist economy and can be captured only with difficulty, or not at all, by co-operative economy."

Thus we have the claim for defined fields of Co-operative and State action.

In the attitude towards nationalisation the International Movement shows no common unity. This variance of opinion is no doubt due to a national estimation of how far State aims coincide with co-operative purpose. Where State directives are accepted by Co-operators, together with a willingness to allow the Co-operative Organisation to be employed as an instrument of State action, then presumably it is believed that state and co-operative ideals are identical.

Whilst, in the majority of the Western countries, it is felt that not only are there fundamental operational differences between nationalisation and co-operation which justify their claim to separate fields but, further, the practice of Co-operation, having its basis in voluntary effort, makes a special contribution to democracy which can find no substitute in the inherent compulsions of State operation.

To create an economy where State compulsions alone apply is to ignore the importance of human values and to destroy the very source from which democratic inspiration springs.

Nationalisation and co-operation can have complementary functions.

In those industries and services catering directly for the individual consumer and where personal preference and taste are important, Co-operation provides a method of operation superior to nationalisation. It may be argued that to allow the separate and independent existence of voluntary Co-operation might necessitate retention of a measure of free competition in such trades, or perhaps, create competition between State trading organisations and Co-operatives. To-day some countries offer examples of the operation of such competition without any resultant deleterious effects upon the overall conception of planning in a Socialist State. Certainly such competition would not be feared by the British Co-operative Movement.

Some degree of intervention in the distributive trade is possible in Britain. The manpower shortage and the tendency for the real cost of distribution to increase over the past few years may demand it. Between 1924 and the outbreak of the war the number of workers in the distributive trade increased by 55 per cent as compared with 10 per cent in production. But in operative costs British Co-operative Societies compared very favourably with private enterprise. To deal with this situation collaboration between the State and the Co-operative Movement may be desirable.

By process of legislation the State would be justified in enforcing upon the industry standards of production and service making for greater efficiency and minimum standards of labour conditions. Beyond that it need not go,

and within that framework the Co-operative Movement can function and expand.

The British Co-operative Movement justifiably claims full and complete recognition in the New Economy. It should reject any suggestion of compromise that would offer some static position of subordinate and restricted agency, but demand the ability to function and expand, thus giving the individual the democratic right to freely accept the principle of voluntary association. Such a dynamic function on the part of the Co-operative Movement would not weaken, but indeed strengthen, and give a necessary flexibility to, any system of collective economy in which it operated.

### Resolution.

The 17th Congress of the International Co-operative Alliance, having regard to the important question of the attitude of the Co-operative Movement towards Nationalisation, expresses its opinion that Nationalisation does not by its universal application provide an answer to the problem of collective ownership and control, but must be judged by the ends which it sets out to accomplish and by the extent to which the methods employed are likely to achieve the social and economic objectives implied in a democratic conception of collective control of industry.

Such control should aim, in the main, at preventing the pursuit of private profit from conflicting with public interest, at creating a higher and more stable standard of life for the whole community, at ensuring the rational development of the nation's resources and the maximum economic benefit from large-scale operation, and, generally, at securing an extension of the principle of democracy into the economic field.

Nationalisation should be oriented towards the widest and most effective satisfaction of needs, and with a view to ensuring all facilities for the consumers, or those for whom the services are intended, to participate in the direction.

The Congress is of the opinion that every nation has its own historical background and economic environment that would justify the development of its own particular form of collective control. The claim for defined fields of Co-operative and State action in many countries, has its justification in the conviction of Co-operators, confirmed by Co-operative practice, that Co-operation, having its basis in voluntary efforts, makes a special contribution to democracy which can find no substitute in the inherent compulsions of State action. Whilst Nationalisation and Co-operation have complementary functions, it has been shown that, whilst key industries should be nationalised, in those industries and services which cater directly for the individual consumer, and where personal preference and taste are important, Co-operation provides a method of operation superior to Nationalisation.

In countries in which national economies are founded on the conception of an overall State planning, competition between State Trading Organisations and Voluntary Co-operation has proved to be without deleterious effects upon such planning, and the maintenance and extension of Voluntary Co-operation has been urged as a means of stimulating the efficiency of the national economy.

The Congress, therefore, on behalf of the Co-operative Movement, claims full and complete recognition of Voluntary Co-operation in the new collective economy; it rejects any suggestion of compromise that would offer to Co-operation some static position of subordinate or restricted form and enterprise; and demands for Co-operation the ability to function and expand, thus giving to the individual the democratic right to freely accept the principle of voluntary association. Such a dynamic function on the part of the Co-operative Movement would not weaken, but, on the contrary, would strengthen and give the necessary flexibility to any system of collective economy in which it might operate.



## Discussion on Mr. Peddie's Paper.

**Mr. J. M. Peddie, Great Britain:** As my time for presenting this Paper to Congress and moving the Resolution is limited, I shall content myself with giving emphasis to its most important features and with endeavouring to indicate the purpose of the Resolution.

In Britain, as in the majority of countries throughout the world, critical economic and social events have justifiably brought about the intervention of the state in economic affairs. Private control of industry has proved itself to be particularly unfitted to function during a period of national stress, and the collective economic interests of the nation have to-day become a primary factor urging the state to intervene. But it would be wrong to assume that the present form of state economic control is of necessity ideal in character or that it represents the final instrument for the accomplishment of industrial democracy. With the passing of time, forms of nationalisation will change. In my opinion such changes, if they mean more effective democratisation, will undoubtedly make for closer association with the co-operative mode of operation.

From the very first days of capitalist enterprise co-operators have joined in its condemnation, but in addition they began to build, from humble beginnings, a new economic order which would permit of the fullest expression of economic democracy. To-day, with the growing intervention of the state in economic life and the development of programmes of nationalisation, there are created urgent problems of immediate practical importance to the life of the Co-operative Movement. All of us who welcome and applaud the recent development in nationalisation of the basic industries appreciate that the actual form of state control may be transitional. In the light of experience, new techniques of operation and democratic control must surely develop.

Would we be justified, therefore, in considering present-day nationalisation in itself as a complete accomplishment of the ideals of Co-operation? I do not think so. There is no justification, therefore, for any suggestion that co-operative organisation should be absorbed and employed as an instrument of direct state policy. That would mean the sacrifice of the voluntary character of Co-operation; it would mean that the Co-operative Movement was to be considered simply as a useful trade mechanism, and that the higher motives and idealism of Co-operation would be disregarded. We can serve democracy best by functioning as a free institution. It would be wrong, and certainly not constructive, if we allowed our enthusiasm for state development to blind us to the consideration of its potential defects. It is only by consideration and by a process of friendly scrutiny and constructive criticism that we can be assured that the instruments which we create to achieve the democratisation of industry will function properly. It might, indeed, be considered within the compass of a reasonable definition of democracy to estimate how far such criticism would be permitted within any state. We must beware of the danger that in our justifiable anxiety to be rid of capitalism we may plunge into the entanglements of state bureaucracy. In the present form of nationalisation, particularly in industries where it is not easy to establish close contact with consumer interests, there is a danger of remote control of management slipping into an economic dictatorship with disastrous results.

With the absence of constant checks and comparisons, such an unfortunate condition would be so imperceptible in its development as to be not easily noticed.

These comments upon possible pitfalls must not be taken as a condemnation of nationalisation, nor as a denial of its value. Nationalisation marks a great step forward, particularly in basic industries. It is a means whereby the nation can ensure that its economic resources are not only taken out of private hands but are used and developed in the interests of the community as a whole. This is an age where economic trends are towards large-scale organisation. To leave such concentrations of economic power in the hands of a few would be anti-democratic. Yet, in spite of the fact that the advantages of state control of certain basic industries can be overwhelmingly proved, it is necessary to give emphasis to the limitations, because we reject the suggestion that in nationalisation there has been evolved a system of democratic control capable of universal application and superior to Co-operation. We reject the suggestion that, backed as it is by state compulsions, it must inevitably supersede co-operative organisation in all forms and fields of economic effort. The ultimate progress of a state is determined not merely by the brilliance of the social and economic schemes which are presented to or imposed upon the people, but by the general level of enlightenment, understanding, and political responsibility of the great masses of the people. In the ultimate, it is this factor which determines the real rate of progress. Any social or economic order, if it is to live in a democratic form and to avoid oppressive bureaucracy, or worse, must stimulate the sense of personal freedom, responsibility, and participation which is the only true mass basis of democracy. It may be possible to create a perfect state mechanism which would function with mechanical precision, but more is needed; there must be a recognition of human values and individual rights, and even the rights of minorities must be recognised.

It can certainly be said that Co-operation, based as it is upon close and intimate contact with the people, makes possible a general understanding of the practices of democracy. Thus it could be affirmed that, even in those states which to-day find the necessity for complete and over-all planning, co-operative organisation can find its place, not as a completely subordinate instrument employed solely because of its ready-made organisation, but as an independent and dynamic force with power to function and expand. Such a function would be no embarrassment to over-all planning, but would give flexibility to the system and stimulate the democratic consciousness of the people. In those industries which cater directly for the individual consumer, and where personal preferences and tastes are important, Co-operation provides a method of operation which is superior to nationalisation. It gives the means whereby the consumer can express his opinion directly upon functional organisation; it can be more responsive to consumer needs than is possible with the more rigid and impersonal control of nationalisation. It is in this field that Co-operation has proved not only its efficiency but its outstanding democratic value; to restrict its functioning as a free institution would be to reduce its value as a democratic force.

The world is living in a period of physical exhaustion and emotional disturbance. Two great wars and a legacy of capitalist exploitation, which have

wasted so much of the nations' resources, have created this condition. Tempers are frayed and suspicions are aroused; but the ordinary people of every nation, great and small, want peace. They know that if the suicidal madness of war were thrust again upon the world there would be no victor, but universal chaos, misery, and destruction.

The Co-operative Movement has always been one of the great forces making for peace and international understanding. If ever the time should come when it functioned solely as an instrument of state policy, that influence would be reduced, for with the loss of functional freedom would go the means to associate freely on a basis of mutual understanding based on the right of free and unfettered expression. Private capitalism has failed, but, in our enthusiasm to use new-found political power to effect changes which are so desperately necessary, it would be disastrous if we rejected Co-operation or retarded the full play of its influence. The Co-operative Movement in the past has played a great part in stimulating a democratic consciousness in the minds of the workers. In the future it must have an even greater part to play in keeping alive the spirit of personal freedom and responsibility, without which the most benevolent system based upon compulsion is bound to be undermined.

**Dr. M. Bonow, Sweden:** I wish first of all to congratulate Mr. Peddie on his extremely interesting Paper and on the speech by which he introduced it which, I think, was most inspiring and interesting to us all. I should perhaps state at the beginning of my few remarks that in my country we are very much in agreement with the general principles expressed in the Paper, since the problems in this field which confront us in Sweden are much the same as those confronting the British Co-operative Movement. In my opinion, Mr. Peddie has made an excellent contribution to the question of the lines along which these problems must be solved, and how we are to arrive at a demarcation between state activity and co-operative activity in countries where the Co-operative Movement is carrying on productive activities.

I am not going to discuss the Paper in detail, but I want to speak particularly about an amendment to the fourth paragraph of the Resolution which was made at the meeting of the Central Committee in Rome. This reads: "Whilst nationalisation and co-operation have complementary functions, it has been shown that, whilst key industries should be nationalised, in those industries and services which cater directly for the individual consumer, and where personal preference and taste are important, Co-operation provides a method of operation superior to Nationalisation." The Swedish delegation would like the words which were added at Rome "whilst key industries should be nationalised" to be deleted.

In stating briefly the reasons for this, I wish to remind you of the discussion yesterday on the Resolution on Housing, when we stated that it would be a very good thing for Consumers' Co-operatives, Housing Co-operatives, and other forms of co-operative enterprise to collaborate in joint enterprises for, among other things, the production of building materials. That is an example of something which would be called a "key industry." The objection which we have to these few words in the Resolution on Mr. Peddie's Paper is that "key industries" is not a very clear term. We have nothing against

the first part of the sentence, which states that nationalisation and co-operation have complementary functions, and we think that that covers the problem. We cannot decide here what we mean by a key industry. Will it apply to building materials? If so it would mean, in our country, that the Co-operative Movement which is now taking up the production of building materials would have to give up that production, which would be entirely nationalised. However, very many people in the labour movement, as well as in the Swedish Co-operative Movement, think that the most practical way of socialising the building material industries is that co-operative enterprises should take them over. I could give other examples, such as, for instance, the production of fertilisers. Is such production to be looked upon as a key industry, because of the very great importance of fertilisers for agricultural production and the national economy as a whole? Again the Swedish Co-operative Movement is actively engaged on a large scale in producing fertilisers.

I have indicated that we are not at all opposed to the general principle laid down here, which is that nationalisation and Co-operation have complementary functions; but we think it a little unwise to draw up too rigid a scheme, to say that key industries should be nationalised and that the Co-operative Movement should not be able to expand in this field. The people of each country should be allowed to have that degree of nationalisation and that sector of Co-operation which they want, according to the plan of reconstruction. That will be expressed correctly in this Resolution if the words "whilst key industries should be nationalised" are deleted.

I have very much pleasure, on behalf of the Swedish delegation, in supporting the Resolution, with this small modification.

**Mr. H. J. Cadogan**, Great Britain: This Paper touches upon problems which have been dealt with in this Congress from the opening day. The question before the International Co-operative Movement, and before Co-operative Organisations in all countries is, as Mr. Peddie has clearly indicated, how far they can go in the direction of assuming control of industries and at the same time of allowing the state to function also in a collective manner. I suggest that there are well-defined areas of action for both sides. I think that the duty of the state is, above all, to own and control the use of land; it is the duty of the state to see that its people are served with transport, that the mineral wealth of the nation is used for the well-being of the people and not exploited for the benefit of a few. Having clearly defined the sphere in which the state can work, it should leave it to its people to carry on production as efficiently as possible along co-operative lines.

Those of us who have had the pleasure of seeing the first steps in nationalisation (I speak for my own country) have experienced some qualms as to whether nationalisation would be an improvement or whether we should be allowed to retain the liberties for which Britain has fought for hundreds of years. Experience in the Co-operative Movement shows us very clearly that what the state can do for the people the Co-operative Movement can also do for them, and in many cases when the state has endeavoured to embark on a line of production it is only after seeking counsel from the Co-operative Movement and taking account of the progress made by the Movement in

certain directions. The report on milk distribution in Great Britain, the reports upon bread prices, and upon many other phases of co-operative activity have set the margin generally for the whole country. In my own town of Bristol we have dictated what should be the price of bread, and prior to the war we were always a little cheaper than the private producer.

Mr. Peddie has expressed the anxiety felt by co-operators that we should be allowed to develop side by side with the state. If allowed this freedom of production and action, we would get on with the work and do our own job; but, having said that, it devolves on the Co-operative Movement to face manfully the tasks before it. It is no use having the liberty to do such and such a thing, and then not doing it. We come back to the old question of how far the Co-operative Movement is facing its task of producing cheaply for the people. That is the concern of Co-operatives in the different countries. We in Britain feel that, given the co-operation of the state and given the power to perform our allotted tasks, we can preserve the liberties of the people, reduce the cost of living, and bring happiness and comfort to millions.

**Close of the Seventh Session.**

**EIGHTH SESSION.**  
**Thursday Afternoon.**

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**Discussion on Mr. Peddie's Paper (*continued*).**

**Mr. E. Ochab**, Poland, interpreted from Polish: The attitude of Co-operation towards the state cannot be determined as a general question; the kind of state which is concerned must first be determined, whether it is a capitalist state, a popular democratic state, and so on. The working class in the Co-operative Movement are against the exploiting states, and particularly against any intervention by fascist states in co-operative affairs. The attitude of the working class in a state which is a popular democracy, however, is quite different, because the socialist or popular democratic state is an expression of the power of the workers and peasants.

If a capitalist state, and particularly an imperialist one, like Great Britain, decides on nationalisation, it will be carried out in the interests of the majority of the bourgeoisie, and will provide large indemnities at the cost of the nation for the capitalists who are affected by nationalisation. Further, such nationalisation is restricted to a small part of the economic life of the country, and often to a part which operates at a deficit. The British example demonstrates clearly the dark side of nationalisation in the interests of the bourgeoisie in comparison with the historic achievements of proletarian nationalisation and of the great October Revolution. It also appears imperfect by comparison with nationalisation in the popular democratic countries. In Poland, the largest of these countries, nationalisation covers transport, mines, banks, the production of power, as well as all large-scale and medium-scale industry; it has been carried out in spite of the direct opposition of the capitalists and their foreign protectors; it has been accomplished, in the interest of the workers and the whole nation, by new leaders coming from the working people and faithful to their task. Contrary to the position in Britain, the cost of nationalisation does not fall on the large masses of the population. The nationalisation of industry has created the conditions for the transition from anarchistic to planned economy. The strength and importance of the socialist economy in Poland can be shown by the fact that the state, co-operative, and communal enterprises employ at present 75 per cent of all the workers and represent about 85 per cent of the total production. The nationalisation of industry and the radical land reform accomplished by truly popular authorities have created the basis for the rapid socialist development of society.

In capitalist countries, the bourgeoisie remain the leaders of nationalised industry and derive profit from it for their own selfish advantage, but in countries of truly democratic organisation the workers become the leaders. The Polish Co-operative Movement has helped our popular democratic state authorities in their fight for nationalisation, which has created the best conditions for the development of co-operation. No differences of interest exist between truly popular co-operation and a truly popular state. There are

some differences in the form of activity, but both have the same aims, the creation of full liberty and the development of man in society within the framework of a classless socialised structure. The people's state gives active help in the development of all forms of co-operative activity in town and country as regards supply, sale, manufacture, services, and credits. The Polish Co-operative Movement comprises at present 4,500,000 affiliated members and represents 25 per cent of the whole retail trade of the country. The people's state regards co-operation as an excellent instrument in the fight against speculation, for the rapid raising of the standard of living of the masses, and the socialisation of the exchange of goods. Moreover, it is an excellent school for management and the only possible form of unifying small-scale rural and handicraft production in a planned state economy. It is also the easiest and safest way for millions of peasants and hundreds of thousands of craftsmen to join with the proletariat in the march towards socialism. The Government acknowledges the value of the Co-operative Movement and, while preserving and extending its self-government, co-operation acknowledges the priority of the people's state not only as regards large industry, but in all economic life, in all planned economy, which needs one centre of planning and management for the execution of the plan.

Only a state of workers and peasants can realise these conditions. Where the bourgeoisie are in power, co-operation is subject to the laws of capitalist economy, and cannot seriously consider a planned economy; it is, in fact, powerless in facing economic crises, which are the usual recurring sickness of a capitalist economy. The capitalist state is also powerless in such circumstances. The nationalisation of some branches of industry carried out by bourgeois Governments cannot abolish the general anarchy of production and cannot lead to a planned economy. Nevertheless, nationalisation in capitalist countries, carried out under the pressure of the working masses, is as a rule a sign of progress, and thus should be assisted by the Co-operative Movement. Co-operation should, however, demand that capitalist undertakings should be nationalised without the payment of compensation and at the cost of the rich; secondly, the management of nationalised industry should be completely changed, and the former managers replaced by real representatives of the workers; thirdly, the process of nationalisation should be extended to cover more and more fields of activity, in accordance with the will of the working masses. It is in the interests of the majority of the nation that no concessions should be made in response to the pressure of American reactionary elements.

In Mr. Peddie's Paper, the problem of the attitude of co-operation towards the state and nationalisation has been put in an abstract and anti-Marxist way. Unfortunately, Mr. Peddie is not isolated in his attitude in that respect, for our British fellow-co-operators try to emphasise the independence of the British Co-operative Movement. We Polish co-operators would like to express the hope that our British colleagues will become truly independent, liberate themselves from the slavery of a bourgeois ideology, and throw away the myth of the co-operative commonwealth. We wish to the co-operators in Great Britain and in all other capitalist countries the greatest success in their fight against capitalist monopolies and the greedy exploitation of the financial oligarchy; we hope that their achievements will become similar to those of the people's democracies. We trust in the goodwill of the majority of non-Marxist co-operators. We look for the victory of socialism, and we ask all co-operators in the West and all men of goodwill

to observe quietly and without prejudice the work which is being done and the development of popular co-operation in Poland and other democratic countries. We ask them also to study the historic achievements of co-operation in Soviet Russia. The facts are undeniable.

On behalf of the Polish delegation, I propose the following Resolution:—

The 17th Congress of the International Co-operative Alliance recommends to all affiliated National Co-operative Organisations:

In capitalist countries, to support the policy of workers' parties and the demands of the people relative to the nationalisation of large capitalist enterprises and landed estates; to request that the nationalisation be carried out without reimbursing the capitalists at the expense of the possessors; that the nationalisation be carried out under new managing bodies chosen from among the working masses; and that it be developed and comprise more and more fields of economic activity, according to the wishes of the people;

In countries of people's democracy, to support in every way the people's Governments in their work of nationalising all large-scale industry, transportation, banking and all economically important undertakings, which in turn will ensure the true development of people's co-operation and of the whole national economy.

**Mr. J. Afendakis**, Greece, interpreted from Greek: We agree in principle with the Paper of Mr. Peddie, but we wish to make the following remarks. Owing to the exhausted economy of the European countries, it is inadmissible to-day to leave the undertaking of productive works, and especially of big works and enterprises of public utility, to the individualistic tendencies of private enterprise. The great number of needs, the lack of the necessary raw materials, with the consequent restriction on production, and the existence of unemployment place these private enterprises at a great advantage in respect of both the consumers and workers, as well as the public in general. This tends to lead rapidly to unrestricted exploitation, against which state control is insufficient, as long experience in the past has shown. It is, therefore, necessary that public utility enterprises should be expropriated from the individualistic sector of economy and turned over to the social sector, so that they can be run with a view to serving social and not private ends.

What is the competent body to undertake such activities? The word "nationalisation" has many meanings; it can mean not only state ownership but any form of economy based on purely social criteria. Co-operative Societies, by reason of their constitution and objects, are the natural bodies to carry out social, collective, and non-individualistic aims. The programme of Co-operative Societies in the present conditions of European economy must, therefore, be to remove, by the intervention of the Government, the administration of big undertakings from private individuals, and put them into the hands of the people whom they are designed to serve. At the same time, while continuing to help the small producer, through Producers' Co-operative Organisations, they must develop the rational exploitation of their products, and, without interrupting the contact of the consumers of these products with the Co-operatives, the undertaking of works of public utility by the whole of the people served by them should be realised through the



intervention of the state to ensure a plan for total and immediate exploitation, the necessary credits from the national banks, the provision of rules concerning the rights of owners of the nationalised enterprises, and rules regarding the rights of third parties.

The management of such enterprises by Co-operative Organisations—Unions, Federations or Confederations according to the extent of the productive work—through a body of administrators of their own choice and an appropriate personnel, will free the management from state bureaucracy and party spirit, while supplying the products to the public at cost price, without profit, after providing for the necessary sinking funds and general expenses. It will protect the public against adulteration and bad quality goods, and lead to the progress of the enterprise that has thus been nationalised according to the need for technical and economic changes, which can be publicly and democratically ascertained. The nationalisation of such enterprises and the handing of them over to independent co-operative management is an economic and social need.

**Mr. G. Castagno, Italy:** A critical survey of such an important question is not possible here. I can only express one point of view, and make a few suggestions. In my opinion, Mr. Peddie bases his ideas on a restricted and reactionary conception of Co-operation, which he sees only as an organisation of the interdependent interests of the consumers with regard to trade and production, apart from the way in which these are themselves organised. He puts before us the type of isolated consumer who, with Co-operation as a weapon, opposes traders and producers, whether individuals or the state. But this type no longer exists. The evolution of economic relations has eliminated, even in a capitalist economy, the clear-cut division between production, distribution, and consumption. The development of monopolies has clearly proved the foolishness of defending the consumer on the sole basis of the distribution of goods, without direct intervention and control of production. Mr. Peddie understands this perfectly well, but what he does not understand is that the consumer can only be protected by the collective discipline of work, harmoniously extended over all the sectors and trends of economic life, so as to mark the traditional opposition of individual to individual in the national collectivity. Finally, I do not see on what basis and for what reasons one should want to reproduce, in a society which has achieved or which wishes to achieve this collective system, an antithesis between the worker-consumer citizen and the state, when the latter controls production and distribution in the interest of the worker himself. To what other end could the state direct a planned economy in a socialist economy?

If it was intended to present to us the experience of one country where particular forms of nationalisation or pseudo-nationalisation have been introduced without infringing upon capitalist interests, then we can accept the conclusions of Mr. Peddie which expose the contradictions and inadequacy of such an attempt and such a method. But if, on the other hand, it was intended to put before the Congress proposals of another kind to assert the principles of voluntary association, as Mr. Peddie said, against the pretended obligation imposed on the individual by state direction, then I can only reject the Resolution he proposes.

This Congress must, in my opinion, re-affirm that the development of Co-operation is irreconcilable with the continued existence of monopolies

which are the weapons of a dictatorship exercised by certain individuals against the interests of the collectivity; it must not discuss a question which touches political principles of current experiments and such a burning reality as the labour pains of the new Socialist society. Therefore, we must disassociate ourselves entirely from this unfortunate Resolution.

The Congress is a meeting of co-operators. If we believe in all good faith that we have enough reasons to unite in a single World Alliance, we must consider and admit that different forms of Co-operation are developing and are being modified in the economic and social sectors of the respective countries, while still retaining the ability to declare and pursue together a common ideal. But this calls for respect for each other's opinions and, in our discussions, demands loyal observance of certain limits beyond which we cannot go without mortally wounding this Alliance which we all have the duty to defend in our struggles and sacrifice in the cause of the progress of humanity.

**Mr. I. P. Akhromchik, U.S.S.R.**, interpreted from Russian: The question of the attitude of the Co-operative Movement to nationalisation has attracted the attention of the International Co-operative Movement, but to determine correctly what this attitude should be it is necessary to define the ways in which nationalisation is realised, also its character and aims. Mr. Peddie, in expressing his attitude towards nationalisation, took as an example only the experience of Great Britain, but what does British nationalisation represent? In the coal industry, nationalisation meant that the Government had to take over enterprises which under the capitalist monopoly were running at a loss. The owners had full compensation for the coalmines they formerly owned which were nationalised, and were able to use this money in more efficient enterprises. In other branches of industry, the enterprises remained the property of the monopolists, and nationalisation became simply a kind of state control over the disposal of the production of trusts and monopolies. This means that the nationalisation carried out by the British Labour Government does not infringe capitalist property and is not antagonistic to the interests of monopoly capital. In expressing his view on the character and scale of nationalisation and the position of co-operation with regard to it, Mr. Peddie comes to the conclusion that the moral ground for the criticism of private capitalism is stronger than any scientific conception of the situation. We advocate scientific socialism and regard the question of nationalisation from the scientific economic, not from the moral or ethical, point of view, and we find that nationalisation has put an end to private capital.

Mr. Peddie states that nationalisation may be accepted as a measure for the improvement of the position in areas which suffered more than others during the war, and he says that the English Co-operative Movement is in favour of partial nationalisation. The democratic forces of the International Co-operative Movement must, however, take up a definite position on the question of the nationalisation of the property of the capitalists and landowners in the interests of the working masses, the liquidation of the exploitation of man by man, and the building up of a socialist society. Mr. Peddie advocates with enthusiasm the ideas of co-operative socialism and of a peaceful and gradual transition from capitalism to socialism by means of the development of co-operative forms of economy in industry and trade. The Soviet co-operators, on the other hand, are guided by the principles laid

down by the creator of the Soviet State, Lenin, at the Socialist Congress in Copenhagen in 1910, when he said that the improvements which can be obtained by co-operation are very limited as long as the means of production and exchange remain in the hands of a definite class, and until this class is deprived of all these means of production, which is the goal of socialism. He also said that Co-operative Organisations which do not take part in a direct fight against capitalism may give birth to the illusion that they are the means by which the social question is to be solved. Soviet co-operators, armed with the theory of Marx and Lenin, regard the class struggle leading to the dictatorship of the working class as the basic condition for building up a socialist society. The Co-operative Movement can help by uniting the toiling masses during the general struggle of the working class, led by the revolutionary parties of the proletariat, and having as its aim the overthrow of bourgeois supremacy and the building up of socialism. We are of opinion, however, that propaganda for co-operative socialism is harmful to the workers' movement, and diverts the working class from their real revolutionary task.

Mr. Peddie mentions a number of principles concerning the relationship between co-operation and the state which we Soviet co-operators regard as absolutely wrong. He considers the relations without taking into consideration the character of the state. The relationship between the Co-operative Movement and the state differs according to whether the state is one having government by the workers or one in which the government is in the hands of monopolistic capital. Mr. Peddie considers the collaboration of co-operation with the state in the U.S.S.R. and in some countries of the new democracies, and declares it to be an infringement of the liberty of the Co-operative Movement, whereas we consider that it corresponds fully with the interests of the toilers and with the aims of the Co-operative Movement. In the U.S.S.R. and the people's democracies co-operation not only has the same aim as the Government but even enjoys the help of the Government. The words of Lenin, that the social order which we have to support is the co-operative order, are realised in the Soviet Union. Assisting in every way the development of the Co-operative Movement, the Soviet Government in November 1946, took a decision about the development of co-operative trade, which decision, in spite of the opinion of Mr. Peddie, is by no means the promotion of co-operative trade in the towns as against state trade. The co-operative turnover in the towns in 1947 amounted to Rb.14.2 million, and is continuing to rise in 1948.

The Soviet delegation supports the Polish amendment.

**The President:** I am going to ask the Congress to agree that the discussion on this paper should now be closed, and that Mr. Peddie shall reply.

**Agreed.**

**Mr. J. M. Peddie:** I shall make my remarks as brief as possible. Dr. Bonow suggests the deletion from the Resolution of the reference to key industries. This we are prepared to accept because it does not weaken but in fact strengthens our own suggestion, since it means that no limit is placed on the development of nationalisation in those fields for which it is best suited. Mr. Ochab, who proposed an amendment which I ask Congress to

reject, described the development of people's control in Poland. We congratulate them. We recognise the right of every nation to achieve by democratic means its own form of democratic control. In our democratic nations we not only recognise that right for other nations, but recognise the right of individual expression within our own states. Mr. Ochab suggests that British nationalisation has been brought about in the interests of the bourgeoisie. This displays a deplorable lack of knowledge of the real and true events so far as Britain is concerned. In Britain we have a democratic people's government, elected by democratic votes and fulfilling completely all the promises made at the time of its election. Mr. Ochab referred to co-operation being powerless to meet crises. British co-operators have more faith in Co-operation, and the record of British co-operators and of the British Co-operative Movement is an indication of how strong the Movement has become, even during periods of economic stress. Mr. Ochab expresses the wish that we may become truly independent. I suggest to him that he has a peculiar view of freedom and independence. I have made the suggestion in this Paper that the Co-operative Movement, by the possession of freedom to expand and develop in the interests not of a section but of the whole of the community, can make its own individual contribution to democracy, because a democracy must of necessity give to the people within that democracy the right to free self-expression; without it there is no democracy. I would ask this Congress to measure the value of the methods employed by the results. There has been in Mr. Ochab's contribution a suggestion of criticism of the methods used in Britain. I would say that as a result of the democratic activities of the democratic Government of Britain, together with the aid of the British Co-operative Movement, we have brought into being a system of society which is responsive to the will of the people. If we measure it in terms of the benefit which it has brought to the ordinary workers of Britain, it will compare with any nation. West or East. That is why I suggest throughout my Paper that the Co-operative Movement can undoubtedly make its contribution to democracy.

Mr. Afendakis, who agrees in principle with my Paper, says that it is wrong to leave certain large industries in private hands. We, of course, agree, and it is indicated that the state and the Co-operative Movement have their own defined fields, both being superior to private control.

Mr. Castagno suggests that I am of the opinion that the consumer can be considered only in isolation. I am not. I make the suggestion that the Co-operative Movement is offering it to the whole of the people what it is offering to the consumer. I refuse to accept the suggestion that I have implied that there is a conflict between the state and the individual. The conflict between the state and the individual only appears—as is indeed justified—when the state, irrespective of the title which it gives itself, denies to the individual within that state the right of free expression. That is fundamental to our policy. There is no conflict in our country between the state and the Co-operative Movement.

We have recognised that through the processes of our own democratic organisation we have a means whereby the people themselves can express their own will steadily, and by the will of the people we are proceeding to nationalisation. We, as co-operators, recognise that although in certain fields the advantages of nationalisation are undoubted, at the same time in

other fields, where consumer preference and contact are important, co-operative organisation has a part to play, not merely from the economic standpoint but because, if the state is to be truly democratic, it must give recognition to individual rights and individual liberties. We believe that the Co-operative Movement, by its stimulation of the democratic consciousness on the part of the people, not only justifies its existence but is absolutely necessary and imperative if we are to have a democracy not merely in name, not merely where the term is used persistently as an empty shibboleth, but a democracy which is sound, a democracy which is based on the true will of the people, and which recognises at all times the fundamental human rights of the individual within the state.

**The President:** We have to vote on the Polish amendment which is supported by the Soviet delegation, and on the Resolution embodying the Swedish amendment for the deletion of the words "whilst key industries should be nationalised," in paragraph 4, lines 8 and 9.

After the votes had been counted, **The President** announced the result as follows:—For the Polish amendment 425 votes, For the Resolution 523 votes, and declared the **Central Committee's Resolution** carried.

## Resolution on Peace.

**The President:** The next business is the Resolution on Peace. Two texts have been distributed; one, the original resolution of the Central Committee; the other, an amendment from the Soviet delegation. In accordance with the Rules, the amendment was considered by the Congress Bureau who, in view of its irreconcilability with the resolution, agreed that it be circulated and that both the resolution and amendment should come before Congress.

Subsequently, however, personal negotiations between members of the French and Swiss delegations and of the Soviet delegation have resulted in a proposal to maintain the text of the Central Committee after the deletion of the lines referring to the work of the United Nations Organisation within the social and economic orbit, and to add at the end of the Central Committee's text the two concluding paragraphs of the amendment.

The Congress Bureau have approved the submission of this new text which will be moved by Mr. M. Brot, France, and seconded by Mr. Timofeev, U.S.S.R.

### Resolution.

The 17th Congress of the I.C.A. emphasises anew that the strivings for the maintenance of a lasting peace are indissolubly inherent in the Co-operative Movement, which has been making steady progress since the last Congress, and unites ever-growing numbers of the broad masses of people in all Continents.

The Congress strongly stresses that it is the duty of Co-operation, in the present international situation even more than previously, to work for peace with all resources and energies at its disposal, make all contributions necessary for reconciliation and understanding between the peoples of the world, and unite in an unbreakable front against all forces active in weakening the foundations of a lasting peace.

The Congress recommends the National Organisations to strain their efforts to make the activities of the United Nations Organisation known to the fullest extent in all countries, and to bring pressure to bear on their governments to make their contributions towards bringing them into full effect.

The promotion of peace has been the task of Co-operation from its first origins and has found its expression in all its principles, its objectives and its activities. The barbarism of war, with its repercussions on the work of material and cultural progress of humanity, is also disastrous for the upholding of the ideals of freedom and democracy and for the realisation of the peaceful and democratic programme of the Co-operative Movement itself, as well as for the international collaboration within the co-operative ranks embodied in the International Co-operative Alliance. For the sake of human progress and to save the broad masses in all countries from unspeakable sufferings and destitution, Co-operators must, therefore, stand prepared to fight war by untiring united efforts.

The Congress urgently appeals to the Co-operators of the world to raise their voices in the defence of peace, free progressive development of the Co-operative Movement, independence of nations and close collaboration between all peoples.

The Congress calls all National Co-operative Organisations to celebrate the traditional International Co-operative Day by mass meetings in their respective countries in support of peace and democracy and the raising of the standard of living of the toilers, and recommends them to take up the fight for peace in collaboration with Trade Unions and other democratic organisations.

Mr. M. Brot, France: The International Co-operative Alliance has never failed, at any of its Congresses, to pass a Resolution in favour of Peace. We know, alas, that our common prayers have not been granted, since during its lifetime we have suffered two dreadful wars. But, to-day, the Alliance can do more than pray, for, by speaking directly within the organs of the United Nations, it can offer constructive solutions, especially regarding the distribution of raw materials which, as we all know, is one of the causes of war.

But at a time when we have great opportunities, two opposing Resolutions on Peace have been brought before Congress. Previously, at the Central Committee meeting in Rome the same opposition arose owing to political considerations in connection with a resolution on Peace. It would have been easy, here as in Rome, to oppose one Resolution against the other, but we decided that such a course was impossible, for those who are fighting for peace cannot fight among themselves. Such a situation would have been really discouraging. We must not forget that we speak the same language—the language of Co-operation; we speak it with different accents, but we must all have this common language deep in our hearts, otherwise our International Co-operative Alliance would be like a Tower of Babel and there would be nothing for us but to divide. That is why we have sought for a compromise, and I must pay tribute to our Soviet friends for the goodwill they have shown in trying to come to an agreement. There was nothing in the Central Committee's Resolution to shock them, but we have deleted the references to the work of the United Nations. We also found that the conclusion of the Soviet text was more forceful, and therefore we propose to add it to the Central Committee's Resolution.

I hope that the delegates will vote unanimously for this Resolution on Peace.

**Mr. D. S. Timofeev, U.S.S.R.,** interpreted from Russian: I support the Resolution which has been moved by Mr. Brot. As this Resolution deals with Peace, I consider that it is necessary to refer to some questions which are related to this subject. The Soviet delegation cannot agree with the statements made by Mr. Gill on the foreign policy of the Soviet Union. We have never thought that the American and English peoples want war, in fact we do not think that any nation wants war; but it is well known all over the world that in England as in America there are supporters of war. We, therefore, call on the people of the whole world to engage in an unmerciful struggle against these war-mongers. No one here can give a single instance that the Soviet state during all the years of its existence has supported war. The Soviet Government has steadily continued to carry out a foreign policy based on fighting for peace in the whole world. We consider that it is not right to divide the world into East and West, and we have never done it ourselves, but it is well known to everybody that the world is actually divided into two camps. There is the democratic camp, which fights for peace, and there is the imperialist camp, which uses the methods of lying and slander to inflame a new war.

Mr. Gill said that there was a time when Britain alone was fighting against fascist Germany. That forces us to remind Mr. Gill, and others who share his views, about the existence of some documents on the relations between Hitler Germany and the former Government of Great Britain which were concealed from public opinion, and only after the defeat of Germany, when seized by the Soviet Army, were they widely published in the press. It is necessary also to make the following historical reference. The Soviet Government, long before the conclusion of the agreement with Germany, offered to the Government of Great Britain the conclusion of a pact with the U.S.S.R., but the British Government rejected it, and that led the Soviet Union to conclude the agreement with Germany. It is well known all over the world that the Soviet Union carried the whole of the main burden of the war with Germany. It must also be remembered that this Congress is taking place in the country which was sold and betrayed in Munich to Hitler's Germany.

With the aim of maintaining unity in the struggle for a lasting peace, the Soviet delegation supports the resolution which has been moved by Mr. Brot.

**The President, on a show of hands, declared the Resolution adopted unanimously.**

## I.C.A. Jubilee Triennial Prize.

**The President:** The Congress will remember that one of the decisions for the celebration of the Fiftieth Jubilee of the Alliance was to institute a Prize, to be known as the "I.C.A. Jubilee Triennial Prize," which is to be awarded at each Congress for the best literary work submitted on a chosen subject of importance and value to the Co-operative Movement, National and International. According to the decision of the Zurich Congress, conditions for the First Award were announced and a Jury was set up to judge the entries. Nearly eighty entries were received and considered by the Jurors, whose recommendation was submitted to the Executive and Central Committee last week-end.

The decision, based on the recommendation of the Jurors, is that the First Award of the Jubilee Triennial Prize, in the form of a cheque for £100, shall be made to Mr. J. A. Hough, of Great Britain, for his manuscript entitled "Co-operative Retailing in Great Britain, 1914-1945."

The subject for the Prize to be awarded at the next Congress is under consideration and will be announced in due course.

**Addressing Mr. Hough, The President said:** On behalf of the Central Committee of the Alliance, it gives me the greatest pleasure to hand to you this cheque for £100, being the value of the "Jubilee Triennial Prize" which has been awarded to you for your manuscript entitled "Co-operative Retailing in Great Britain, 1914-1945." I have every confidence that the book, when published, will receive a wide circulation; that it will be of very great interest to all who are concerned, and interested, in the development of Co-operation; and will be a valuable addition to international co-operative literature. On behalf of the Central Committee, I ask you to accept this Prize.

**Mr. J. A. Hough:** I am asked not to take up time by making a speech, but I want to express my very deep appreciation of the honour which has been conferred upon me. The manuscript in question represents for me the culmination of many years' study of co-operation. Thank you very much indeed.

## Date and Place of Next Congress.

**The President:** The next question is the date and place of the Eighteenth Congress. Three invitations are offered from the Indian, Italian, and Danish Movements. If Congress agrees I will give the representatives of the Movements five minutes each in which to present the invitations to the Congress, but I suggest that we should first consider the date. I recommend 1951. Will Congress agree that the Eighteenth Congress shall meet in 1951?

**Agreed.**

**Mr. O. Spinelli, Italy:** At the Congress of the International Co-operative Alliance at Zurich, I had the honour to propose that the Seventeenth Congress should meet in Italy, but the Alliance had previously accepted an invitation to Prague. As that was an engagement which dated back to 1937 we submitted to it, not only from a sense of duty to respect a decision already taken,



but also to give our Czech friends a proof of our friendship, of our admiration of the sacrifices and efforts they have made in the Co-operative Movement. The welcome we have received in this beautiful city of Prague is engraved on our hearts, and we shall never forget it. Now we wish to reaffirm our friendship by again inviting the Congress to Italy, to that land which has suffered so much from the horrors of fascism, which has experienced the most troubled time in its history and which, at the end of the partisan war, has recovered by the will of the people and regained conditions very different from those which existed when I offered our invitation at Zurich.

We wish to receive you in our country, the country where the orange-tree blossoms, a country which, from the point of view of co-operative history, has much to show, not only in the consumers' and agricultural fields but also in the sphere of production. We want to show you the new aspects which encourage us to say to you: For the unity of our Movement, for the sake of the fraternity between our Organisations and our peoples, come to Italy, where you will be received as brothers!

**Mr. A. Albonetti, Italy:** The Italian Co-operative Confederation shares the hope to receive the Eighteenth Congress of the International Co-operative Alliance in Italy in 1951.

**Professor H. L. Kaji, India:** I have very great pleasure, on behalf of Indian Co-operation, in extending a cordial invitation to the International Co-operative Alliance to hold its next Congress in India. Your reception would be a warm one, not merely because of the warmth of the bright sun which always shines on India, but from the warmth of our affection. We hope Congress will accept our invitation in the spirit of brotherhood, and in the spirit in which it is offered.

Hitherto the Congress has always met in Europe. But we are an International Organisation, and it is time that we gained true international stature by meeting at least once in the East. Therefore, I suggest India. Moreover, Congress has hitherto met in countries where the Consumers' Co-operatives are very well developed, but where Agricultural Co-operation has not yet received the attention which it deserves. During the last few days, several speeches have been made emphasising the importance of Agricultural Co-operation. India has developed Agricultural Co-operation fairly well; she has also developed Consumers' Co-operation to some extent, though not as strongly as in European countries. In a certain sense, India may be regarded as an under-developed area, and you may remember that two days ago I had the honour of moving the Resolution on the Promotion of Co-operation in Under-developed Areas. The holding of the I.C.A. Congress in India would be a very great step in the promotion of co-operation in our country; the presence of so many distinguished delegates from Europe would give us an impetus and a stimulus second to none; it would lead to the greater promotion, expansion and development, also to the better orientation, of the Co-operative Movement in our land. It is from that point of view that I urge you to accept our invitation.

Apart from the co-operative side, we should try, with all the energy at our command, to make your stay in our country enjoyable and fruitful. This invitation comes from the land of the Himalayas, from the land of the famous caves of Ajanta, from a land which possesses many other glories. Ours is an

ancient land; a land of ancient glories, but also a land of future promise. We have a modernised urban population as well as a rural population. I earnestly appeal to you to accept our invitation so that our co-operative pace may be quickened and our co-operative progress furthered.

I know that there is one difficulty, namely the distance, but air transport has solved that problem. I trust you will not allow considerations of travel to stand in the way of accepting our very cordial invitation.

**Mr. A. A. Drejer, Denmark:** On behalf of the two Danish delegations, that of De samvirkende danske Andelsselskaber and that of Det Kooperative Faellesforbund i Danmark, I have the privilege of extending a cordial invitation for the Eighteenth Congress of the I.C.A. to meet in Copenhagen in 1951. At this late hour I wish only to add that it is our hope that you will accept our invitation to visit Denmark and the Danish Co-operative Movement, and to assure you that we shall do our utmost to arrange and organise the Congress in the very best way.

**The President:** It will be obvious to all delegates that before the venue of the Congress is decided the Central Committee must be assured that all the necessary facilities for the organisation and conduct of Congress are available. It is customary for invitations to be referred to the Central Committee, who, after investigating the facilities, decide which invitation shall be accepted. I recommend Congress to adopt that course to-day. Is that agreed?

**Agreed.**

## Votes of Thanks.

**The President:** We are reaching the closing stage of our Congress, but before we conclude there are numerous persons whom I am sure you would wish me to thank on your behalf for all the facilities which have been provided for the holding of this Congress. When we accepted the Czech invitation we knew that we should enjoy excellent hospitality, for our past experience assured us that our Czech friends would do everything possible to make our stay here interesting and happy.

I think that we should especially extend our thanks to a number of organisations and individuals. I will start by expressing appreciation to the Czech Government for the steps which they took to ensure that all the delegates would receive their visas. Next, I wish to thank the Congress Reception Committee, under the Chairmanship of Mr. Zmrhal. That Committee, as is obvious from the hall in which we are meeting and from all the things that we have enjoyed during the past few days, has done a really magnificent piece of work, and in the name of the Congress I thank Mr. Zmrhal and his colleagues most sincerely.

It was desirable that the world should know something of the discussions which were taking place in this Congress, and we feel particularly indebted to the representatives of the Press who have been present for the reports which they have circulated throughout the world. In the name of Congress I express to the Press representatives our sincere thanks for their help in getting adequate publicity for our work.

I pay a special tribute to the three interpreters, for without them it would have been quite impossible to conduct these proceedings. They have worked exceedingly hard during the past four days, and I ask them to accept our very grateful thanks for their invaluable help. I also thank the two official stenographers who have taken down all that we have been saying and whose work will be reflected in due course in the official Report of the Congress. To the staff of the Municipal House I wish to convey our warm appreciation of everything that has been done to make this hall so delightfully attractive. They have worked very hard indeed, and we appreciate their contribution to the success of our Congress. We ought also to thank the people of Prague, because I am sure that most of you, as you have gone about the city, have been helped very much by their kindness.

Finally, I say "Thank you" to Miss Polley and her small staff who have rendered Trojan service to the cause of International Co-operation by the preparations made for this Congress. They have magnificently fulfilled the task of providing all the documentation and making all the arrangements which are essential for the holding of this Congress.

To Miss Polley herself I want to say a special word. It has been my good fortune to work in very close collaboration with her from the end of 1939. I know the great services which she has given and the great contribution she has made to the cause of International Co-operation through her membership of the Secretariat of the International Co-operative Alliance, and I express the very earnest hope that she will be spared for many years to continue to give that great service which has been so outstanding during the past ten years.

## The New President of the I.C.A.

**Lord Rusholme:** My final duty is a very pleasant one, to introduce a very old friend of mine, Mr. T. H. Gill, who was yesterday elected the new President of the Alliance. Throughout his life he has served the cause of the working people, as a leader in the British Trade Union Movement, as a Labour Member of the British Parliament, as a Director of the Co-operative Wholesale Society, and as a member of the Central Committee of the I.C.A. Mr. Gill possesses very great qualities, which I know will serve him well as President of the Alliance. I myself find very great pleasure and satisfaction in the fact that I am to be followed in this Chair by one of my own countrymen for whom I have a very high regard indeed. I wish him every success in the new tasks which he is to perform.

**Mr. T. H. Gill:** I must first thank Lord Rusholme for his most kind references, and I only hope that I may live up to the high reputation he has given me. I can assure Congress that as President of the Alliance it will be my desire to give of my best. However far I may fail, and whatever my shortcomings may be, it will not be because I did not desire to give the best at my command. I thank you very much for the way in which you have received the President's kindly remarks.

## The Retiring President.

**Mr. T. H. Gill:** There is one other duty that we have to perform. You will appreciate that with the close of this Congress Lord Rusholme will sever his official connection with the Alliance. I say "official" advisedly, because I am certain that in his heart and thoughts he will never sever this connection, and that any service which it may be possible for him to render us in the future he will be pleased to give. It is with deep regret that we have learned of his resignation.

Lord Rusholme is amongst the oldest in years of service to the Alliance of those present to-day. He became a member of the Executive at the Vienna Congress in 1930 and was elected a Vice-President in 1934. In 1940, when we were in the midst of turmoil and war, and so soon after the death of Mr. May, Lord Rusholme stepped into the breach as Acting President and, largely as a result of his enthusiasm, his determination, and his love for the Alliance, it was kept in active being during the war years. He called the British members together from time to time as a war-time Executive, and he kept the flag of the Alliance flying. The enthusiasm of Lord Rusholme was to a very great extent responsible for the fact that on the cessation of the war and the re-opening of communications the Alliance immediately resumed its meetings. It will be remembered that a representative Conference was held in London in 1945, when Lord Rusholme was formally appointed President, and the following year, when the Congress met in Zurich, he was unanimously re-elected. There is no doubt that, but for his resignation, he would have been re-elected President again at this Congress.

We part from Lord Rusholme not only with regret but with affection. There are times when he and I have not thought alike; that is the position with most of us who have minds of our own, but we have always found on Lord Rusholme's part great tolerance and patience, a willingness to recognise the other man's point of view, so that it has sometimes been even a pleasure to have a difference of opinion with him. We thank him from the bottom of our hearts for all that he has done for the Alliance. We wish him well in the future; we wish him every happiness; and we hope that in his duties as a member of the British Transport Commission he will give the same services and find the same pleasure in rendering them as has been the case during the many years in which he has been serving the Co-operative Movement.

**Lord Rusholme:** Mr. Gill has been far too kind and generous in his remarks about my work in the I.C.A. The maintenance in being of the Alliance was very much more the responsibility and the achievement of Miss Polley than of myself, but I was glad to contribute towards that great effort. I shall ever remember the most happy associations which I have formed in connection with my work for the Alliance, and I shall always remember Prague as the parting of the ways so far as my official connections are concerned. But I shall never lose interest in the Alliance; that would be quite impossible after all the years of such close association, and I devoutly hope in the years ahead to see the Alliance go from strength to strength.

**I now declare the Seventeenth Congress closed.**

**APPENDICES**

**TO THE**

**REPORT**

**OF THE**

**CENTRAL COMMITTEE.**

- I. Report of the International Co-operative Trading Agency.**
- II. Report of the International Co-operative Petroleum Association.**
- III. Report of the International Co-operative Assurance Committee.**
- IV. Report of the International Banking Sub-Committee.**
- V. List of Organisations Affiliated to the I.C.A.**
- VI. Structure of the I.C.A.**
- VII. Subscriptions received for the years 1946 and 1947.**

## APPENDIX I.

### REPORT of the INTERNATIONAL CO-OPERATIVE TRADING AGENCY.

The Agency was registered in October, 1937, commencing business on 1st January, 1938. Control is effected by a Board of Management consisting of 10 Directors.

Membership is of particular interest to Co-operative Organisations engaged in trade. Organisations registered outside England are allowed by law only to hold up to £200 in the shares of the Agency. The Board is able to accept an initial deposit on shares so that new members are not necessarily called upon to pay up their shares in full immediately.

The aim of the Agency is to conduct a reciprocal trade with its member Societies wherever possible by acting as their buying and importing agent when they require to purchase commodities; and by handling any commodities which they may desire to export on an Agency basis. The Agency is able to execute purchases and sales in all parts of the world.

There is undoubtedly scope for business as soon as supplies are freely available in all directions and when business can again be transacted unhampered by import and currency controls.

There are now 19 Societies in membership with the Agency. Membership formalities are in course of completion with S.O.K. (Finland); F.D.B. (Denmark); and Interprovincial Co-operatives (Canada).

In 1939 the turnover of the Agency was £237,000. For the years ended December, 1946 and 1947, the comparative figures were £41,000 and £128,500 respectively. Trading conditions still continue to be very difficult, largely owing to controls, rationing, governmental purchases, and difficulty of supplies (which are, however, becoming easier).

The thanks of the Board are due in particular to the clientèle of the Agency in Czechoslovakia, Belgium, Switzerland, Norway, and Scotland for continued loyalty.

Following the return of Mr. E. Mynderup to the full-time service of the Scandinavian C.W.S., Mr. E. O. Maitland has been appointed Manager. He commenced duties in November, 1947, and assumed control from 1st January, 1948.

The Board is grateful to Mr. Mynderup for managing the Agency throughout the war years and during the immediate post-war period so willingly and efficiently, and his services have been recognised. The Board is indebted in the same way to Nordisk Andelsforbund, who so kindly permitted Mr. Mynderup to act as Manager of the Agency in addition to his duties as their representative.

The trading and registered office of the Agency is now located at 65-69, Prescott Street, London, E.1.

Visits to Italy, the Middle East, and Germany have been or are being paid by Mr. Maitland, the newly-appointed Manager, to explore avenues

of trade both amongst Co-operative Organisations and private sources. Useful contacts have been made. The Board is anxious that the Agency should make contact with any Organisations affiliated to the International Co-operative Alliance which could avail themselves of the service of the Agency in an import or export sphere.

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## APPENDIX II.

### REPORT of the INTERNATIONAL CO-OPERATIVE PETROLEUM ASSOCIATION.

The International Co-operative Petroleum Association ended its 1948 fiscal year on 30th April with modest savings and a growing volume of trade in prospect. Many of its problems have been temporary ones which beset any new Organisation, while others have been those growing out of the backwash of war—problems which will be resolved when war-torn economies have achieved a greater degree of economic recovery.

A shortage of steel held up equipment needed for drilling oil wells, building pipe lines and tankcars, expansion of existing refining facilities and the erection of new refineries. These facts, coupled with a rising world demand for crude oil and refined fuels, brought a shortage which resulted in the U.S. Government putting limitations on petroleum exports. An allocation system, based upon the record of shipments for the previous year, was put into effect in October, 1947. I.C.P.A., without any past record of performance in supplying specific markets, was placed at a tremendous disadvantage.

Crude oil prices in the United States went from \$1.20 per barrel, when prices were controlled, to \$2.65 per barrel when controls were taken off following the war. One overnight advance during the year under review was 50 cents per barrel, the largest single increase in the history of the oil industry in the U.S. Consequent advances in finished products drove our prices out of line with price structures overseas. Shortage of dollar exchange was a constant handicap, and so was lack of stability of currencies. Import quotas, necessitated by the shortage of exchange, also operated to reduce the volume of I.C.P.A.

More important for the long run, however, is the fact that Co-operatives in 20 countries, as this is written, are on their way to becoming members of I.C.P.A. Some have qualified already; others will be qualified shortly, while still others remain handicapped by exchange difficulties. These Organisations have pledged initial capital in excess of \$1,000,000, and additions to capital no doubt will be made when conditions warrant. No organisation in international commerce has a greater potential than I.C.P.A.

One of the most hopeful signs on the horizon when the I.C.P.A. began operations was the repeated orders for co-operative lubricating oil from many different nations. The initial shipments overseas have testified to the need of high-grade lubricants for co-operative distribution. The ultimate consumers in all five continents were fairly well acquainted with the fine quality of Co-op motor oil. The orders and enquiries received augured well for the prospects of substantial growth in the export shipments of Co-op motor oils.

It was proposed at the first meeting of Directors that refineries large enough to meet the demand of members, along with crude oil supplies, be obtained either side of the Atlantic. The ultimate objective of the I.C.P.A. is to do these things and do them well.

After New York headquarters were established, much time was devoted to locating crude oil sources for refining on either side of the Atlantic. Attractive possibilities were found to exist in Mexico and Venezuela. Perhaps they still will be available when I.C.P.A. is ready to provide the necessary funds to finance extensive operations. In some respects the Middle East offers a better opportunity. Without this source of crude supply, there would be a very acute shortage of petroleum to-day. The importance of Middle East oil should not be overlooked. It has a very definite place in the petroleum supply picture of to-day. Proof of that is the fact that I.C.P.A. is now importing Middle East crude into the United States in tanker lots.

The I.C.P.A. should look forward to acquiring crude oil sources with strategically and economically located refineries and pipe lines to assure its members a plentiful supply of petroleum products at reasonable prices. One step forward would be to establish refinery facilities to use Middle East crude oil most advantageously. This would require sufficient capital to finance large-scale operations and manpower to do the job, but it would furnish one feasible solution to the supply problem.

An oil trade journal estimates reserves of approximately 26,800,000,000 barrels for the Middle East against 21,500,000,000 barrels for the United States. The development of oil properties in the Middle East holds particular interest to the Co-operatives in the Western Hemisphere at this time, for a continued scarcity of crude oil is the grim and inescapable outlook for the immediate future. Particularly is this true in the United States where the expected rate of increase of demand exceeds the rate of increase of the expected supply.

Tanker transportation is the key to global oil movement and the situation has eased considerably in the last six months. Tanker tonnage is expected to meet the petroleum transportation demands on a worldwide basis for at least the next year upon a much more favourable rate basis.

There are 99 new tankers totalling 964,000 tons under construction in the world. Sixty-one of these are in the United Kingdom shipyards and most of those under construction in the United States are large seagoing tankers of 26,000 ton capacity. These additional tankers should further ease the pressure on the present available tankers for international movement. Eventually the I.C.P.A. will want to own and operate its own tanker fleet.

The spirit of co-operation which has characterised business relations between I.C.P.A. and its member associations for the past few months speaks well for the future. I.C.P.A.'s record, even under the trying circumstances set out here, should prompt other Oil Co-operatives to join hands with present members in this development.

The quest for oil and oil profits is at the bottom of many of the tensions among nations that flare into newspaper headlines nearly every week in the year. Much of the world's business in oil should be carried on by the people's own Co-operatives which alone are interested in ample supplies of petroleum products at lowest possible prices to consumers.

HOWARD A. COWDEN, Secretary.



**REPORT**

of the

**INTERNATIONAL CO-OPERATIVE ASSURANCE COMMITTEE.**

The International Co-operative Alliance held its first post-war Congress at Zürich in September, 1946, but it had not the same character as formerly. During the nine years since the Paris Congress political and military events had fundamentally changed the co-operative structure of numerous countries and several leading members had disappeared.

The Assurance Committee had been most seriously affected by these events. Of the five members nominated at Paris to constitute the Executive, only the Secretary was still in office. Consequently the programme of activity approved by the general meeting of 1937 could not be executed. The Zürich meeting actually was only a renewal of contacts.

A number of Assurance Societies were represented, and the presence for the first time in the history of the Committee of several delegates of the U.S. Co-operative Insurance Companies was acknowledged with great pleasure. The American speaker emphasized the similarity of problems with which insurers are confronted both in the Old and New Worlds.

A wide exchange of opinions took place on subjects of interest to insurers, and on the fate suffered during the war by the different Societies represented.

Finally, a new Executive was elected to prepare the next Conference.

**Composition of the Executive.**

Seven formerly affiliated Societies were represented at the Zürich Conference. It was decided to appoint only four members to the Executive and to leave one or two places vacant in order later to form a larger representation from a territorial point of view.

Mr. Joseph Lemaire, Secretary since the foundation of the Committee in 1922, expressed the desire to resign his office in order to leave the position for a younger man. The new Executive was formed as follows:—

Mr. Darroch, General Manager, Co-operative Insurance Society, Great Britain.

Mr. Apelqvist, General Manager, "Folket" and "Samarbete," Sweden.

Mr. Stor-Rank, General Manager, "Kansa," Finland.

Mr. Henri Lemaire, Manager, "La Prévoyance Sociale," Belgium.

Mr. Darroch was elected Chairman and Mr. H. Lemaire Secretary. Since then the former has resigned and Mr. Dinnage, his successor in the C.I.S., has taken his place.

### Programme.

The New Executive has met several times and has decided that two problems require its particular attention and thorough study. As these problems are certainly of interest to all affiliated Societies a few comments upon them are given here:—

**Nationalisation.**—Since the end of the war, and in several countries, a strong movement of opinion has become evident in favour of nationalisation. Nationalisation of insurance companies was effected in several cases but, although the same word “nationalisation” was always applied, the systems in operation are very varied.

The Executive believes that it is too early to express a definite opinion upon this problem, but that it is of primary interest for members to be kept informed on the experiments.

According to the spirit in which the Co-operative Insurance Societies are created their only concern must be the interest of the insured. It is not out of place to recall that the problem was examined by the former Committee, and that at the London Conference in September, 1934, the following resolution was unanimously approved:—

“The Conference of Co-operative Insurance Societies affiliated either directly or indirectly to the International Co-operative Alliance and associated in the work of the International Co-operative Insurance Committee, having carefully considered the problem of the Intervention of the Public Authorities in the Insurance business, is of opinion:—

“1. That social insurance (sickness, accidents of labour, unemployment and pensions) may legitimately be practised by the public authorities because (a) it is generally compulsory; (b) it applies to the whole community; and (c) its risks are covered not only by the payments of the beneficiaries but also, as a general rule, by the contributions of the employer and the public authority.

“2. That, as regards commercial insurance (fire, life, accident, theft, &c.), it is necessary to compare the practices of the Joint Stock Insurance Companies with those of Co-operative Insurance Societies whose guiding principles are (a) a low and limited rate of interest on capital; (b) the establishment of a reserve fund; (c) the distribution of the surplus amongst the insured persons or to works of a social character; and (d) the investment of the funds for the benefit of the community.

“The Conference, therefore, urges:—

“3. That all action should be supported which would tend to impose upon the different forms of insurance activity a reasonable and limited rate of interest on capital and the return to the insured persons, in proportion to their premiums, of any surplus accruing from the operations of the Companies on a plan approximating to the practice of Co-operative Insurance Societies; in other words, extend to the insurance business the co-operative spirit and principles.”

### International Re-insurance.

The Co-operative Movement hopes one day to replace the capitalist profit-making system of commerce and industry, while co-operative insurance, without any profit-making aim, hopes to increase its power in order to give the insured a better service than the present private insurance companies.

At present, however, recourse must be made to the companies which are opponents, and in order to maintain financial stability excess risks exceeding the maximum absorption capacity of the Co-operative Insurance Societies must be ceded to these companies for re-insurance.

It is believed that an International Co-operative Re-insurance Organisation would do away with this obligation, and at the same time would increase the power of the different Societies in the same proportion, but the practical organisation of such co-operative international exchanges meets with difficulties.

The Executive is studying this problem, and hopes to be in a position to submit proposals to the Conference for discussion.

Several other questions have occupied the attention of the Executive:—

(a) **Affiliations.**—Co-operative Insurance Societies formerly affiliated to the Committee are:—

Finland .....	“Kansa,” “Pohja,” “Vara.”
Sweden .....	“Folket,” “Samarbete.”
Norway .....	“Samvirke” (Fire and Life).
Denmark .....	“Alka,” “Tryg.”
Iceland .....	“Samvinnutriggingar.”
Switzerland .....	“Coop-Vie.”
Holland .....	De Centrale Arbeiders.
Great Britain .....	Co-operative Insurance Society.
Palestine .....	“Hassneh.”
Belgium .....	“La Prévoyance Sociale.”

(b) Two statements have been compiled, giving for each Society:

**Documentation.**—Amount of gross premium income for each of the last ten years; Copy of the balance sheet and profit and loss account for 1946.

This documentation will help affiliated Societies to know each other better and will foster international exchanges.

### Conclusions.

It might be feared that the war, which had so long prevented international relations, would have caused the isolation of the Co-operative Insurance Societies and prevented the resumption of contacts so painstakingly created before 1939. On the contrary, it is noticed with satisfaction that international co-operative solidarity is stronger than ever.

We look forward to the future with confidence; we are certain that our Committee fulfils an ever-growing need, and that it will give ever-increasing support to the workers of the whole world.

On behalf of the Executive,

HENRI LEMAIRE, Secretary.

**REPORT**

**of the**

**INTERNATIONAL CO-OPERATIVE BANKING SUB-COMMITTEE**

The Conference of Representatives of Co-operative Banks and Financial Institutions in association with the International Co-operative Alliance which met at Zürich on the occasion of the 16th Congress of the I.C.A. to consider the reconstitution of the International Co-operative Banking Committee which had not functioned since 1934 recommended to the Central Committee of the I.C.A. that a Sub-Committee of six members (representing the Co-operative Banks of Great Britain, Switzerland, France, Poland, Czechoslovakia, and Scandinavia) be set up to formulate a programme and to draft a report for the Central Committee of the I.C.A. This recommendation was accepted by the Central Committee, and the Sub-Committee was duly constituted.

At its first meeting at Avignon on 28th April, 1948, the Sub-Committee agreed to request the Board of the English Co-operative Wholesale Society to appoint a Secretary, *pro tem.*, to the Sub-Committee. This request was granted, and the late Mr. J. Chapman, then Manager of the C.W.S. Bank, was appointed.

At Avignon it was agreed:—

i. That steps be taken immediately to resume the collection of the Balance Sheets of the Co-operative Banks; also copies of their constitutions;

ii. That the Co-operative Banks be invited to submit their observations concerning the prevailing conditions, nationally and internationally;

iii. That for the next meeting the Secretary, *pro tem.*, should present for consideration a draft constitution of an International Co-operative Bank;

iv. That the memorandum of the constitution of the International Co-operative Banking Committee presented by the Polish delegation to the Zürich Conference should be further considered.

It was not until June, 1948, that the next meeting of the Sub-Committee took place.

**Draft Constitution of an International Co-operative Bank.**

In his memorandum Mr. Chapman, after referring to the report, "Constitution and Functions of an International Co-operative Bank," prepared in 1922 by the then Secretary of the Banking Committee, discussed quite briefly the preliminary requirements and functions of an International Co-operative Bank, its objects and control, and stated clearly that, under prevailing conditions, such a Bank could not adequately or properly function. He then made the following general observations:—

“ With the advent of Bretton Woods an endeavour is being made to stabilise the international exchange rates through the International Monetary Fund, but even there provision is made for a change in currency par values to correct any fundamental disequilibrium, provided it does not exceed 10 per cent. It might, therefore, be argued that the time is opportune from this point of view for the establishment of an International Co-operative Bank, but, having regard to the national controls exercised over exchange, referred to earlier, and the fact that, in many countries normal trade—that is, imports and exports—is only permitted on receipt of Government sanction, it might be thought that apart from examining proposals, no further step should be taken to establish an International Co-operative Bank at this particular juncture. To be fully successful an International Co-operative Bank would have to function in a world free from restrictions on imports and exports, and in a world where there is greater freedom from national control of international monetary transactions.

“ With the growth of co-operation throughout the world it is conceivable that in free markets the international trade between Co-operative Organisations in various countries would increase, and an International Co-operative Bank might, in those circumstances, be the clearing house for International Co-operative Trade.

“ The second world war caused great havoc; most of the nations of the world are still suffering great hardship, and are endeavouring to re-establish the economy of their countries under stringent exchange restrictions.

“ In view of the known and obvious difficulties encountered in international trade at the present time it would, no doubt, be considered precipitate to undertake the formation of an International Co-operative Bank at the moment. It may, however, be conceded that the foundations of an International Co-operative Bank may be laid at this stage by the establishment of a modest organisation which might have as its objects:—

1. To collect and circulate to members up-to-date reliable information on trading conditions and exchange restrictions operating in each country.
2. To prepare and have published a Directory of Co-operative Banks, and to revise and re-issue this Directory as necessary.
3. To act as liaison between the individual Co-operative Banks, and at all times endeavour to promote more intimate knowledge and closer contact between them.”

The Sub-Committee unanimously supported the view of the Secretary regarding the establishment of an International Co-operative Bank at the present time, and, agreement having been reached upon the desirability of creating a small permanent Committee, the following recommendations to the Central Committee of the I.C.A. were formulated:—

i. That the establishment of an International Co-operative Bank is not practicable at the present time;

ii. That a small permanent Committee, which shall meet only once or twice a year, shall be constituted to carry out the functions laid down in the Report of the Secretary.

iii. That the Report of the Sub-Committee be also presented to a Conference of Representatives of National Co-operative Banks, to be convened prior to the Congress at Prague;

iv. That after approval of the recommendations of the Sub-Committee both by the Central Committee of the I.C.A. and the Conference of Banking Representatives at Prague, the permanent Committee be appointed, one of the tasks of which would be to draw up Rules for its activity.

These recommendations have since received the approval of the Central Committee, and will now be submitted for discussion to the representatives of the National Co-operative Banks at their Conference at Prague prior to the 17th Congress.

#### Obituary.

It is deeply to be regretted that this Report must record the death of Mr. Chapman, Secretary, *pro tem.*, of the Banking Sub-Committee. Although his service was of such short duration, Mr. Chapman had won the esteem of all the members as well as their appreciation of his ability.

His death took place on the 30th January.

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In order that the preparatory work for the Conference at Prague should not be adversely affected, the Directors of the English Co-operative Wholesale Society unanimously agreed that their new Bank Manager, Mr. S. Tyldesley, should take over the functions of Secretary, *pro tem.*, to the International Co-operative Banking Sub-Committee, and in this capacity Mr. Tyldesley will attend both the meeting of the Sub-Committee and the Conference at Prague.

## APPENDIX V.

### ORGANISATIONS AFFILIATED

to the

### INTERNATIONAL CO-OPERATIVE ALLIANCE.

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<b>Argentina</b> .....	Federación Argentina de Cooperativas de Consumo, Buenos Aires.
<b>Australia</b> .....	The Co-operative Federation of Australia, Perth, W.A.
<b>Austria</b> .....	"Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Vienna.
<b>Belgium</b> .....	Société Générale Coopérative, Brussels. Fédération Nationale des Coopératives Chrétiennes, Brussels. "L'Economie Populaire," Ciney (Namur).
<b>Bulgaria</b> .....	General Co-operative Union, Sofia. Union des Banques Populaires, Sofia.
<b>Canada</b> .....	Co-operative Union of Canada, Ottawa, Ontario. British Canadian Co-operative Society, Sydney Mines, Nova Scotia.
<b>China</b> .....	Co-operative League of China, Nanking.
<b>Colombia</b> .....	Cooperativa Familiar de Medellin, Ltda., Medellin.
<b>Czechoslovakia</b> .....	Ustredni Rada Druzstev, Prague.
<b>Denmark</b> .....	De samvirkende danske Andelsselskaber, Copenhagen. Det Kooperative Faellesforbund i Danmark, Copenhagen.
<b>Finland</b> .....	Kulutusosuuskuntien Keskusliitto, Helsinki. Osuustukkukauppa i.L., Helsinki. Yleinen Osuuskauppojen Liitto, Helsinki.
<b>France</b> .....	Fédération Nationale des Coopératives de Consommation, Paris. Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris. Fédération Nationale de la Mutualité et de la Coopération Agricoles, Paris. Caisse Nationale de Crédit Agricole, Paris. Fédération Nationale de la Coopération Agricole, Paris.

<b>Germany</b> .....	Grosseinkaufs-Gesellschaft Deutscher Konsumgenossenschaften, Hamburg.
<b>Great Britain</b> .....	The Co-operative Union, Ltd., Manchester. Also about 600 Societies.
<b>Greece</b> .....	Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), Athens.
<b>Holland</b> .....	Centrale der Nederlandse Verbruiks-coöperaties, Rotterdam.
<b>Iceland</b> .....	Samband Isl. Samvinnufjelaga, Reykjavik.
<b>India</b> .....	All-India Co-operative Institutes' Association, Bombay.
<b>Israel</b> .....	General Co-operative Association of Jewish Labour in Erez-Israel "Hevrat Ovdim," Ltd., Tel-Aviv. "Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv.
<b>Italy</b> .....	Lega Nazionale delle Cooperative, Rome. Confederazione Cooperativa Italiana, Rome.
<b>New Zealand</b> .....	New Zealand Federation of Co-operatives, Wellington.
<b>Norway</b> .....	Norges Kooperative Landsforening, Kirkegatan 4, Oslo.
<b>Pakistan</b> .....	Punjab Co-operative Union, Lahore.
<b>Poland</b> .....	"Spolem" Związek Gospodarczy Spółdzielni R.P., Warsaw. Związek Rewizyny Spółdzielni R.P., Lodz. Spoleczno Przedsiębiorstwo Budowlane S.P.B., Warsaw. Bank Gospodarstwo Spółdzielczego, Lodz.
<b>Roumania</b> .....	Institutul National al Cooperatiei, Bucharest.
<b>South Africa</b> .....	Pietermaritzburg Co-operative Society, Pietermaritzburg.
<b>Sweden</b> .....	Kooperativa Förbundet, Stockholm.
<b>Switzerland</b> .....	Verband schweiz. Konsumvereine, Basle. Verband ostschweiz. landwirtschaftlichen Genossenschaften, Winterthur.
<b>U.S.A.</b> .....	The Co-operative League of the U.S.A., Chicago.
<b>U.S.S.R.</b> .....	The All-Russian Central Union of Consumers' Co-operative Societies of the U.S.S.R. and R.S.F.S.R., "Centrosoyus," Moscow.
<b>Yugoslavia</b> .....	Glavni Zadruzni Savez FNRJ., Belgrade.



## INTERNATIONAL CO-OPERATIVE ALLIANCE.

## TYPES OF CONSTITUENT SOCIETIES: NUMBER OF SOCIETIES (1). INDIVIDUAL MEMBERSHIP (2).

Country and Organisation*.	Year.	Consumers'.		Workers' Productive and Artisanal.		Agricultural.		Building.		Miscellaneous.		Credit.		Total.		Population Estimates, 1946(a).
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
<b>EUROPE.</b>																
<b>AUSTRIA</b> .....	1947	30	130,000	...	...	...	...	...	...	...	...	...	...	30	130,000	7,009,000
<b>BELGIUM</b> .....	1946	66	427,600	19	2,704	...	...	...	...	10	...	...	...	95	430,304	8,389,000
S.G.C. ....	1946	40	327,600	19	2,704	...	...	...	...	10	...	...	...	70	330,304	...
Fédération Coopératives Chrétiennes... ..	1946	26	100,000	...	...	...	...	...	...	...	...	...	...	26	100,000	...
<b>BULGARIA(b)</b> .....	1946	213	339,123	1,331	123,765	1,179	449,463	...	...	15	4,502	3,152	903,890	5,890	1,820,743	6,993,000
General Union .....	1946	213	339,123	1,331	123,765	1,179	449,463	...	...	15	4,502	3,152	903,890	5,890	1,820,743	...
Union des Banques.....	1945	...	...	...	...	...	...	...	...	...	...	245	326,032	245	326,032	...
<b>CZECHOSLOVAKIA</b> .....	1946	65	725,814	1,408	221,588	4,209	803,584	711	75,315	192	20,000	4,074	1,227,863	10,659	3,074,162	13,091,000
.....				(d)795	(d)128,411											
<b>DENMARK</b> .....	1946	1,957	440,000	82	...	5,506	790,548	157	31,812	86	...	47	25,094	7,835	1,287,454	4,101,000
Samvirkende Andelselskaber.....	1946	1,957	440,000	...	...	5,506	790,548	...	...	...	...	...	...	7,463	1,230,548	...
Kooperative Faellesforbund.....	1946	50	97,819	82	...	...	...	157	31,812	86	...	...	...	375	129,631	...
.....				(d)33												
<b>FINLAND</b> .....	1946	491	841,476	...	...	...	...	...	...	...	...	...	...	491	841,476	3,847,000
K.K. ....	1946	121	425,163	...	...	...	...	...	...	...	...	...	...	121	425,163	...
Y.O.L. ....	1946	370	416,313	...	...	...	...	...	...	...	...	...	...	370	416,313	...
<b>FRANCE</b> .....	1946	1,026	2,008,832	647	41,000	13,100	1,400,000	...	...	...	...	4,397	629,500	19,170	4,079,332	40,000,000
F.N.C.C. ....	1946	1,026	2,008,832	...	...	...	...	...	...	...	...	...	...	1,026	2,008,832	...
Confédération des Sociétés Ouvrières de Production.....	1946	...	...	647	41,000	...	...	...	...	...	...	...	...	647	41,000	...
Fédération de la Mutualité Agricole....	1946	...	...	...	...	13,100	1,400,000	...	...	...	...	...	...	13,100	1,400,000	...
Caisse de Crédit Agricole .....	1946	...	...	...	...	...	...	...	...	...	...	4,397	629,500	4,397	629,500	...
Fédération Agricole .....	1946	...	...	...	...	(e)22	...	...	...	...	...	...	...	(e)22	...	...
<b>GERMANY(c)</b> .....	1943	284	500,000	...	...	...	...	...	...	...	...	...	...	284	500,000	(f)65,911,000
<b>GREAT BRITAIN</b> .....	1946	1,004	9,730,140	46	15,296	...	...	...	...	...	...	...	...	1,050	9,745,436	49,318,000
Co-operative Union .....	1946	1,004	9,730,140	46	15,296	...	...	...	...	...	...	...	...	1,050	9,745,436	...
Co-operative Productive Federation....	1946	...	...	46	13,862	...	...	...	...	...	...	...	...	46	13,862	...
<b>GREECE</b> .....	1946	...	...	...	...	4,257	420,160	...	...	...	...	...	...	4,257	420,160	7,450,000
<b>HOLLAND</b> .....	1946	288	278,000	...	...	...	...	...	...	...	...	...	...	288	278,000	9,420,000
<b>ICELAND</b> .....	1946	53	26,694	...	...	2	431	...	...	...	...	...	...	55	27,125	132,000
<b>ITALY</b> .....	1946-48	6,365	2,260,727	4,078	310,703	4,487	646,280	507	56,816	1,292	302,348	895	227,948	17,624	3,824,802	45,486,000
Lega Nazionale delle Cooperative.....	1946	3,865	1,758,787	2,841	248,853	2,259	220,660	264	32,516	539	189,398	4	1,745	9,772	2,451,959	...
Confederazione Cooperativa Italiana....	1948	2,500	501,940	1,237	61,850	2,228	445,600	243	24,300	753	112,950	891	226,203	7,852	1,372,843	...
<b>NORWAY</b> .....	1946	1,001	239,854	...	...	...	...	...	...	...	...	...	...	1,001	239,854	3,105,000
<b>POLAND</b> .....	1946	4,994	1,424,995	1,419	64,992	3,137	1,211,495	...	...	303	49,809	1,222	447,164	11,075	3,197,555	(g)23,930,000
.....				(d)80	(d)6,467											
.....				(d)93	(d)12,329											
<b>ROUMANIA</b> .....	1946	273	448,429	261	35,849	5,190	1,689,124	...	...	102	36,811	3,076	1,034,370	8,902	3,244,583	16,472,000
<b>SWEDEN</b> .....	1946	705	851,576	...	...	...	...	...	...	...	...	...	...	705	851,576	6,719,000
<b>SWITZERLAND</b> .....	1946	893	516,311	...	...	...	...	...	...	...	...	...	...	893	516,311	4,466,000
V.S.K. ....	1946	552	489,159	...	...	...	...	...	...	...	...	...	...	552	489,159	...
V.O.L.G. ....	1946	341	27,152	...	...	...	...	...	...	...	...	...	...	341	27,152	...
<b>U.S.S.R.</b> .....	1947	28,000	32,000,000	...	...	...	...	...	...	...	...	...	...	28,000	32,000,000	193,000,000
<b>YUGOSLAVIA</b> .....	1946	839	576,837	794	21,335	9,493	1,735,056	228	18,066	443	21,796	1,401	114,276	13,198	2,487,366	14,800,000
<b>TOTAL—EUROPE</b> .....	1946	48,547	53,766,408	10,085	836,330	50,560	9,166,121	1,603	182,009	2,443	435,266	18,264	4,610,105	131,502	68,996,239	523,639,000
Number of Countries.....	...	(19)	(19)	(10)	(9)	(10)	(10)	(4)	(4)	(8)	(6)	(8)	(8)	(20)	(20)	(20)

\* In countries where only one Organisation is affiliated, their names are not given here but will be found in Appendix V.

(a) U.N. Monthly Bulletin of Statistics, April—October, 1948.

(b) Official Statistics.

(c) Societies in Three Western Zones affiliated to G.E.G.

(d) Artisanal Societies included in Workers' Productive Societies.

(e) Specialised Federations or National Unions.

(f) Population enumerated in four zones of occupation, including Berlin.

(g) Pre-war Territory.

APPENDIX VI. (continued)

TYPES OF CONSTITUENT SOCIETIES: NUMBER OF SOCIETIES (1). INDIVIDUAL MEMBERSHIP (2).

Country and Organisation.*	Year.	Consumers'.		Workers' Productive and Artisanal.		Agricultural.		Building.		Miscellaneous.		Credit.		Total.		Population Estimates, 1946.
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)			
<b>AMERICA.</b>																
CANADA .....	1943	269	219,738	...	...	6	167,837	...	...	...	...	...	...	...	...	...
U.S.A. ....	1946	2,603	646,000	...	...	...	...	...	...	...	...	...	...	275	387,575	12,307,000
ARGENTINA .....	1946	91	117,402	...	...	...	...	...	...	...	...	...	...	2,603	646,000	141,229,000
COLOMBIA .....	1946	1	3,025	...	...	...	...	...	...	...	...	...	...	91	117,402	16,032,000
<b>Total</b> .....	1946	2,964	986,165	...	...	6	167,837	...	...	...	...	...	...	1	3,025	10,318,000
<b>ASIA.</b>																
CHINA .....	1946	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
INDIA† .....	1944-45	43,364	960,624	...	...	...	...	...	...	...	...	116,269	7,394,556	160,222	19,624,599	455,592,000
Agricultural .....	1944-45	...	...	...	...	...	...	...	...	...	...	...	...	137,692	8,355,180	366,500,000§
Non-Agricultural .....	1944-45	...	...	...	...	...	...	...	...	...	...	...	...	21,941	5,152,070	...
ISRAEL .....	1946	200	110,000	86	2,800	235	31,156	57	10,130	43	...	63	89,871	684	3,203,110	1,912,000
" Hevrat Ovdim " .....	1946	200	110,000	86	2,800	235	31,156	57	10,130	43	...	20	31,165	641	185,251	...
" Merkaz " .....	1946	...	...	...	...	...	...	...	...	...	...	43	58,706	43	58,706	...
<b>Total</b> .....	1944-46	43,564	1,070,624	86	2,800	235	31,156	57	10,130	43	...	116,332	7,484,427	320,539	28,223,736	824,004,000
<b>OCEANIA.</b>																
AUSTRALIA† .....	1941-42	90	110,565	...	...	440	206,604	...	...	...	...	...	...	530	317,169	7,466,000
NEW ZEALAND .....	1947	28	11,500	...	...	...	...	...	...	...	...	...	...	28	11,500	1,761,000
<b>Total</b> .....	1941-47	118	122,065	...	...	440	206,604	...	...	...	...	...	...	558	328,669	9,227,000
<b>SOUTH AFRICA</b>																
.....	1946	1	3,000	...	...	...	...	...	...	...	...	...	...	1	3,000	11,420,000
<b>CONTINENTAL TOTALS.</b>																
EUROPE .....	1946	48,547	53,766,408	10,085	836,330	50,560	9,166,121	1,603	182,009	2,443	435,266	18,264	4,610,105	131,502	68,996,239	523,639,000
AMERICA .....	1946	2,964	986,165	...	...	6	167,837	...	...	...	...	...	...	2,970	1,154,002	179,886,000
ASIA .....	1946	43,564	1,070,624	86	2,800	235	31,156	57	10,130	43	...	116,332	7,484,427	320,539	28,223,736	824,004,000
OCEANIA .....	1941-47	118	122,065	...	...	440	206,604	...	...	...	...	...	...	558	328,669	9,227,000
SOUTH AFRICA .....	1946	1	3,000	...	...	...	...	...	...	...	...	...	...	1	3,000	11,420,000
<b>WORLD TOTAL</b> .....	1946	95,194	55,948,262	10,171	839,130	51,241	9,571,718	1,660	192,139	2,486	435,266	134,596	12,094,532	455,570	98,705,646	1,548,176,000
<b>Number of Countries</b> .....	...	(28)	(28)	(11)	(10)	(13)	(13)	(5)	(6)	(9)	(6)	(10)	(10)	(30)	(30)	(30)

\* In countries where only one Organisation is affiliated, their names are not given here but will be found in Appendix V.

† Official Statistics.  
‡ Mainly Credit Societies.

§ Estimated population of Provinces and States included in Statistics.

## APPENDIX VII.

### SUBSCRIPTIONS RECEIVED FOR THE YEARS 1946 AND 1947.

	1946.			1947.		
	£	s.	d.	£	s.	d.
Argentina .....	14	0	0	82	0	0
Australia .....	20	0	0	20	0	0
Austria .....	—			215	0	0
Belgium .....	220	0	0	240	0	0
Bulgaria .....	—			—		
Canada .....	33	0	0	86	0	0
China .....	50	0	0	80	0	0
Czechoslovakia .....	*			600	0	0
Denmark .....	220	0	0	480	0	0
Finland .....	652	15	0	816	15	0
France .....	269	8	0	1,667	4	0
Greece .....	*			80	0	0
Great Britain .....	4,696	17	0	7,504	0	0
Holland .....	221	5	0	381	15	0
Iceland .....	38	12	0	80	0	0
India .....	—			—		
Israel .....	100	0	0	100	0	0
Italy .....	*			—		
Norway .....	124	18	0	230	3	0
Poland .....	380	0	0	1,151	9	0
Roumania .....	*			*		
South Africa .....	—			6	0	0
Sweden .....	1,065	0	0	1,216	18	0
Switzerland .....	634	3	0	573	19	0
U.S.A. ....	77	13	0	600	0	0
U.S.S.R. ....	3,500	0	0	5,000	0	0
Yugoslavia .....	40	0	0	80	0	0
	<hr/>			<hr/>		
	12,357	11	0	21,291	3	0
	<hr/>			<hr/>		

\* Organisations not in membership in 1946.

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