

International Co-operative Alliance

14, Great Smith Street, London, S.W.1.

REPORT

of the

EIGHTEENTH CONGRESS

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COPENHAGEN,

24th to 27th September, 1951.

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INTERNATIONAL CO-OPERATIVE ALLIANCE.
Founded 1895.

President:

SIR HARRY GILL.

Vice-Presidents:

M. BROT, I. S. KHOKHLOV.

Members of the Executive:

M. BONOW, M. BROT, G. CERRETI, J. J. A. CHARBO, H. A. COWDEN, J. M. DAVIDSON,
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R. SOUTHERN, M. WEBER, A. ZMRHAL.

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Miss G. F. POLLEY.

Members of the Central Committee:

Argentina	B. Delom.
Austria	A. Korp, A. Vukovich.
Belgium	W. Serwy, L. de Brouckère.
Bulgaria.....	P. Takov.
Canada	A. B. MacDonald.
Czechoslovakia ...	K. Bacilek, J. Kufner, J. Nepomucky, A. Zmrhal.
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Finland	J. Alanen, Y. Kallinen, J. Laakso, L. Hietanen, Odal Stadius.
France	M. Brot, L. Degond, E. Couvrecelles, G. Gausssel, P. Ramadier, A. Charial, A. J. Cleuet, A. Cramois, G. Fauquet, R. Vaxelaire.
Germany	G. Dahrendorf, H. Everling, E. Hasselmann, C. Schumacher.
Great Britain ...	J. W. Blower, J. H. H. Codd, J. M. Davidson, Sir Harry Gill, R. G. Gosling, G. L. Perkins, R. Southern, A. J. Tapping, H. Taylor, Rev. G. S. Woods.
Greece	A. Baltadjis.
Holland	J. J. A. Charbo, J. Roos.
Iceland	V. Thor.
India	H. L. Kaji.
Israel	J. Efter, A. Zabarsky.
Italy	O. Bardi, G. Cerreti, O. Dal Fiore, G. Giacometti, V. Grazia, S. Aldisio, P. Foresi, L. Malfettani, Miss L. R. Sanseverino.
Norway	S. Nilssen, P. Söiland.
Roumania	N. Alexe.
Sweden	C. A. Anderson, S. Apelqvist, M. Bonow, A. Gjöres, A. Johansson, A. Oerne, N. Thédin.
Switzerland	Ch-H. Barbier, H. Rudin, M. Weber.
U.S.A.	H. A. Cowden, M. D. Lincoln.
U.S.S.R.....	I. P. Akhremchik, G. A. Bokov, Mrs. V. A. Gorelovskaya, P. I. Kolesnikov, I. S. Khokhlov, A. P. Klimov, T. S. Krayushin, V. L. Lipovoy, G. Nellis, N. P. Sidorov.
Yugoslavia	M. Voutchkovitch.

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Sir HARRY GILL.

Vice-Presidents:

MARCEL BROT, I. S. KHOKHLOV.

Members:

A. A. DREJER, R. SOUTHERN, A. ZMRHAL.

Director:

W. P. WATKINS.

General Secretary:

Miss G. F. POLLEY.

PAST CONGRESSES.

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
Prague.....	1948		

GUESTS AND DELEGATES PRESENT AT THE CONGRESS.

His Excellency Knud Ree, The Danish Minister of Fisheries.

Mr. H. P. Sorensen, Mayor of Copenhagen.

Government Representatives:—

Sir Alec Randall, British Ambassador at Copenhagen.

Mr. P. J. Hynninen, Finnish Minister Plenipotentiary at Copenhagen.

Mr. Robert de Douhet, Member of the French Embassy at Copenhagen.

Mr. Klaus Nergaard, Vice-Consul to the Norwegian Embassy at Copenhagen.

Mr. M. Holzer, Vice-Director of the Swiss Federal Office of Industry.

Mr. A. Basevi, Director of the Department of Co-operation, Italian Ministry of Labour.

Miss Florence E. Parker, U.S. Department of Labour.

Mr. Einar Jensen, Agricultural Attaché at the U.S. Embassy at Oslo.

Mr. S. C. Fernando, Registrar of Co-operative Societies, Ceylon. ✓

Representatives of International Organisations:—

Mr. Viggo Christensen, United Nations Organisation.

Mr. N. Lamming, International Labour Office.

Miss P. Harris, United Nations Educational, Scientific and Cultural Organisation.

Mr. E. Mortensen, Food and Agriculture Organisation of the United Nations.

Mr. R. Hewlett, International Federation of Agricultural Producers.

Mr. F. Raffenberg, International Chamber of Commerce.

Mr. Vilhelm Buhl, Inter-Parliamentary Union.

Mrs. E. Egli, International Co-operative Women's Guild.

Personal Guests:—

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

Mr. Maurice Colombain, Former Chief of the Co-operative Section of the International Labour Office.

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

ARGENTINA.

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

AUSTRIA.

Vienna—"Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften
Karner, F.
Korp, A.
Krämer, Frau F.
Kruschik, S.
Vukovich, A.

Vienna—Allgemeinen Verband für das landwirtschaftliche Genossenschaftswesen Vukovich, A.

BELGIUM.

Brussels—Société Générale Coopérative.....
Ancion-Detrixhe, Mme. C.
Brat, J.
Chevalier, L.
De Bruyne, A.
De Vooght, F.
Dumont, R.
Dutilleul, E.
Heymann-Coulon, Mme. F.
Lemaire, H.
Listre, G.
Nachez, G.
Papart, J.
Serwy, W.
Sipido, J-B.
Van Belle, C.
Van Rossem, V.

Brussels—Fédération Nationale des Coopératives Chrétiennes Eerdekens, J.

Liège—L'Institut Provincial de Coopération Agricole Mouton, G.

Ciney—"L'Economie Populaire" Vandormael, J.

BULGARIA.

Sofia—Central Co-operative Union
Hadjief, D. V.
Takov, P. P.

CANADA.

Ottawa—Co-operative Union of Canada.....
Lawrence, Mrs. H. L.
MacDonald, A. B.

CZECHOSLOVAKIA.

Prague—Ustredni Rada Druzstev Buresova, Mrs. M.
Cеровsky, K.
Drocar, P.
Machacova-Dostalova,
Mrs. B.
Novak, O.
Novotna, Mrs.
Ploskonka, J.
Sekac, V.
Smrcka, L.
Sojka, A.
Varhulik, V.
Vlasak, J.
Zmrhal, A.
Zmrhalova, Mrs. K.

DENMARK.

**Copenhagen—De samvirkende danske
Andelsselskaber.....** Arnfred, I. Th.
Drejer, A. A.
Fabricius, L.
Gottschau, A.
Groes, E.
Hansen, A.
Hansen, S.
Heilesen, M.
Henrichsen, J.
Hougaard, V.
Jensen, H.
Jensen, O.
Kjeldsen, Th.
Nielsen, F.
Nørrelund, A. J.
Officersen, J. N.
Olesen, J. E.
Røhr-Lauritzen, K.
Sandoe, G.
Thorsen, G.

**Copenhagen—Det Kooperative Faellesforbund
i Danmark** Pedersen, T.
Villumsen, W.

FINLAND.

Helsinki—Kulutusosuuskuntien Keskusliitto... Alanen, J.
Halme, K.
Harjula, A.
Heikkilä, J.
Jalava, J.
Järvinen, M.
Kallinen, Y.
Kantanen, E.
Laakso, J.
Langström, T. Hj.
Lötjönen, J. V.
Malm, A.
Nilsson, N.
Niskanen, H. H.
Nurminen, Mrs. E.

FINLAND (continued).

Helsinki—Kulutusosuuskuntien Keskusliitto (continued)	Peltonen, O. Salmenoja, P. Soinamo, A. Stor-Rank, E. A. Takki, U.
Helsinki—Yleinen Osuuskauppojen Liitto r.y.	Colliander, Miss G. Hietanen, L. Immonen, V. Linna, E. Palovesi, E.
Helsinki—Pellervo-Seura r.y.	Immonen, V. Palovesi, E.

FRANCE.

Paris—Fédération Nationale des Coopératives de Consommation	Angsthem, —. Ardhuin, —. Baert, J. Baert, P. Bayard, A. Beaujon, —. Boure, —. Boully, —. Bricout, E. Brissaud, —. Brot, M. Bugnon, —. Burette, —. Catelas, M. Cleuet, A. J. Colin, L. Condery, —. Couvrecelle, E. Couvrecelle, M. Degond, M. Delhay, —. Delusme, —. Dutilleul, L. Gascon, —. Grouard, —. Heitz, —. Heymann, N. R. Lacour, —. Langard, M. Leclercq, R. Lutz, —. Maigret, L. Morand, —. Orsini, R. G. Ponard, —. Renaux, —. Richard, —. Seve, —. Thiriet, G. Vaxelaire, R. Walter, —.
Paris—Confédération Générale des Sociétés Coopératives Ouvrières de Production	Antoni, A. Harasse, N.

FRANCE (continued).

Paris—Fédération Nationale de la Coopération Agricole	Benoist, G. Fauchon, J.
Paris—Fédération Nationale de la Mutualité et de la Coopération Agricole	Benoist, G.

GERMANY.

Hamburg—Zentralverband deutscher Konsumgenossenschaften	Aust, J. Backeberg, H. A. Beyer, Frau L. Borgner, G. Borgner, O. Dahrendorf, G. Deling, W. Ellenbeck, K-A. Everling, H. Franck, J. Frederiksen, H. Gründer, Frau M. Hader, F. Hasselmann, E. Heidenreich, A. Heitmann, H. Hofmann, H. Jensen, O. Juchem, Frau G. Keppke, O. Kirch, A. Klasen, J. Klein, F. Kühnert, E. Meins, H. Meyer, A. Münch, A. Nau, W. Philipp, M. Postelt, W. Priess, B. Renner, F. Riedl, Frau E. Rieke, W. Schnell, J. Schotte, H. Schumacher, C. Schweer, Frau C. Schwendner, G. Sierakowski, H. Stelzenmüller, G. Stroble, Frau K. Stupka, J. Thiele, W. Valder, H. Vill, J. Werk, F. Weisshaar, H. Wessner, K. Wiederkehr, C. Wilhelm, R.
Hamburg—Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften, m.b.H.	Dahrendorf, G. Everling, H.

GREAT BRITAIN.

Co-operative Union	Armstrong, H. Barnett, J. H. Blower, J. W. Coldrick, W. Douglas, G. R. Gill, Sir Harry Gosling, R. G. Marshall, R. L. McAleese, C. Perkins, G. L. Southern, R. Stringer, S. Tapping, A. J. Topham, E. Westlake, C. R. Wheeldon, W. E. Winship, F. S.
Societies—	
Ardrossan	McFadzean, Mrs. H.
Belfast.....	Diplock, Mrs. S. A.
Beswick	Ellershaw, J. W. Thorley, Mrs. I.
Birmingham	Gapper, Mrs. B. M. Lennard, Mrs. A. E. Ravenhill, E. J. H.
" —Ten Acres and Stirchley	Briggs, Mrs. B. H.
Blackpool.....	Diggle, F. Machin, E.
Brighton Equitable	Bethell, F. Corbett, Mrs. A. Webber, F. H. Webber, Mrs. F. H.
Bristol.....	Delaney, Mrs. L. M. Godsell, W. Lidington, Mrs. M. Peters, Mrs. B. F.
Burnley Equitable	Clarkson, W. Haworth, M.
Carnoustie Co-operative Association	Nicholson, Mrs. G. T.
Clackmannan.....	Flynn, Mrs. A.
Clydebank	Brown, Mrs. Hay, Mrs. McInnes, Mrs. W.
Colwyn Bay and Llandudno	Hoskins, F. J.
Darlington.....	Best, A. J.
Delph Industrial	Schofield, Mrs. E. H.
Desborough—Crompton Boot Manufacturers ...	Sharman, Mrs. K.
Dykehead and Shotts	Aitchison, Mrs. J.
Eccles and District.....	Hilton, F. Stewart, Mrs. S. N.

GREAT BRITAIN (continued).

Edinburgh—St. Cuthbert's Co-operative Association.....	Edward, Mrs. I. Forbes, Mrs. A. McNair, Mrs. I.
Failsworth	Locking, A.
Gateshead	Pearson, Mrs. R.
Glasgow—Scottish Co-operative Wholesale Society.....	Aitchison, J. Davidson, J. M. Hay, D. Nicholson, G. T.
„ United Baking Society	Harvey, H. W. Harvey, Mrs. H. W. Johnston, M. Neary, J.
„ Eastern	Jackson, Mrs. J.
„ South	Bain, Mrs. Bell, Mrs. Gibson, Mrs. Oakes, A. W. Smith, Mrs.
„ St. George	Callen, Miss K.
Gloucester	Thompson, A. J. Thompson, Mrs. A. J.
Grays	Saywood, Mrs. E. C.
Greenfield	Hobson, M. A. Hobson, Mrs. W. G.
Greenock—Central	Hardstaff, Mrs. M. Hardstaff, J. W. Smith, A. A.
„ East.....	Kennedy, Mrs. J.
Haslemere and District	Elliott, Mrs. E.
Irvine and Fullarton.....	Oakes, A. W.
Kettering Industrial.....	Watson, F.
Kilmarnock Equitable.....	Gilchrist, W.
Kirkcaldy and District	Davidson, Mrs. M.
Leicester.....	Elton, E. J. Perkins, A. R.
„ —Co-operative Productive Federation	Hemstock, A. Taylor, H.
Liverpool	Talbot, Mrs. M.
London	Banham, Mrs. L. M. Long, Mrs. F. O'Connor, Mrs. A. E. Pichowski, A. Podmore, W. F. Stevens, W. E.

GREAT BRITAIN (continued).

London—Royal Arsenal	Burgess, Mrs. J. Comerton, F. J. Coyle, Mrs. E. V.
„ —South Suburban	Harding, P. W. Knight, C. J. Straughan, R. Winch, A. J.
„ —Enfield Highway.....	Townsend, Mrs. B. C. Wiltshire, G. H.
„ —Co-operative Permanent Building Society	Ashworth, H. Dunham, C. J. James, B. E. Powdrill, R. A. B. Rhodes, W. H. Score, H. L.
„ —Women's Co-operative Guild.....	Cook, Mrs. C. Gadd, Mrs. A.
Manchester—Co-operative Wholesale Society...	Cooke, L. Gibson, H. M. Kassell, S. L. Macdonald, Sir Arthur Robinson, P. Williams, Lord. Wood, N.
„ —Co-operative Press.....	Hamnett, C. Williams, Mrs. E. E.
Manchester and Salford.....	Pilling, J. E. Pownall, Mrs. J. Frost, —.
Middlesbrough	Haston, Mrs. R. M. Hewitson, Mrs. M. E.
Middleton and Tonge.....	Wood, A.
Nuneaton	Beasley, H. H. Jacques, O.
Oldham Equitable.....	Schofield, F.
„ Industrial	Friend, J. J. Tootill, F.
Paisley Manufacturing.....	Wilson, Mrs. M.
Peterborough and District	Jarvis, Miss B. E. A. Wren, Mrs. F.
Renfrew Equitable	Vallance, A.
Royton Industrial.....	Stansfield, Miss S.
Rugby.....	Hewitt, Mrs. M. M. Sutton, Mrs. B. M.
Scunthorpe.....	Coulthard, R. Coulthard, Mrs. R.
Sheffield—Brightside and Carbrook	Fox, H. Harper, J. H.
Sheffield and Ecclesall.....	Barstow, J. O'Hara, J.
Shettleston.....	Lonsdale, Mrs. M.
Southampton.....	Stonehouse, Mrs. R. M.
Stockport	Edwards, Mrs. M.
Stockton.....	Hendy, Mrs. A. M.
Thornliebank.....	McKenzie, Mrs. M. S.

GREAT BRITAIN (continued).

Walsall and District.....	Green, Mrs. G. Gwinnett, T. Harrington, Mrs. L. Hemmings, Mrs. B.
Warrington	Worrall, Mrs. H.
Watford	Allen, Mrs. M.
Whaley Bridge and Buxton	Jackson, M. E. Jackson, Mrs. A.
Wigston Hosiers	Short, S. L.
Wishaw	Hamilton, Mrs. M. Lashley, Mrs. R.
Wolverhampton and District	Foster, H. Lenis, S. H. Wardle, Mrs. M. E.

HOLLAND.

Rotterdam—Centrale der Nederlandse Verbruikscoöperaties	Bastiaans, H. A. Bekkering, J. J. Charbo, J. J. A. Knol, A. Metman, W. M. Roos, J. Stok, H. Straalman-Kremer, Mrs. H.
--	--

ICELAND.

Reykjavik—Samband Isl. Samvinnufjelaga ...	Einarsson, E. Hjartar H. Vilhjalmsson, O.
--	---

INDIA.

Bombay—Indian Co-operative Union.....	Gaitonde, Y. B.
---------------------------------------	-----------------

ISRAEL.

Tel-Aviv—General Co-operative Association of Jewish Labour in Erez-Israel "Hevrat Ovdim," Ltd.	Efter, J. Reiss, A. Repetur, B. Verlinsky, N.
Tel-Aviv—"Merkaz" Audit Union of Co- operative Societies for Loans and Savings...	Bazsella, M. Shtacher, A.

ITALY.

- Rome—Lega Nazionale delle Cooperative e Mutue**..... Bellucci, Miss Z.
Castagno, G.
Cerreti, G.
Cerreti, Mrs. A.
Ciavarella, Miss L.
Crisanti, Miss L.
Curti, I.
Franceschelli, V.
Gaeta, O.
Geminiani, —.
Grazia, V.
Magnani, A.
Marcellino, G.
Negro, L.
Padovani, G.
Raffaelli, L.
Rossini, A.
Tedesco, Miss G.
Tolino, G.
Zani, E.
- Rome—Confederazione Cooperativa Italiana** ... Allodi, E.
Baradel, G.
Barbareschi, S.
Belli, G.
Berretta, P.
Bollani, G.
Buonanno, G.
Davanzo, L.
Davanzo, G.
Drago, E. B.
Filippini, A.
Gazza, I.
Jacobelli, A.
Malfettani, L.
Magrin, P. P.
Mondini, E.
Parisi, G.
Pedone, A.
Sanseverino, Miss L. R.
Santoro, V.
Tostani, G.

NORWAY.

- Oslo—Norges Kooperative Landsforening** Andersen, W.
Berge, T.
Bodin, R.
Dalen, S. J.
Gjerland, J.
Haugen, R.
Hoøen, L.
Jullum, Bj.
Nilssen, S.
Semmingsen, R.
Søiland, P.

ROUMANIA.

Bucharest—Uniunea Centrala a Cooperativelor
de Consum " Centrocoop " Hulduban, V.
Bortzoi, Mrs. R.

SWEDEN.

Stockholm—Kooperativa Förbundet..... Anderson, C. A.
Andersson, G. E.
Asman, E.
Apelqvist, S.
Bergstom, Mrs. G.
Bonow, M.
Björkman, E.
Engström, A.
Eriksson, E.
Eriksson, G. A.
Eronn, L.
Friberg, K. A.
Gjöres, A.
Granlund, F.
Grundström, A.
Gustavsson, H.
Gustafsson, S.
Jansson, E.
Jansson, J.
Johansson, A.
Jonsson, A.
Jönsson, J. E.
Jönsson, K.
Karlsson, J.
Karlsson, G.
Källén, K.
Leopold, O.
Lovin, N.
Lundqvist, A.
Norrman, E.
Odhe, T.
Oerne, A.
Petersson, V.
Skoog, O.
Stolpe, H.
Thédin, N.
Wahlstedt, U.
Westling, O.
Wilstam, G.

SWITZERLAND.

Basle—Verband schweiz. Konsumvereine Barbier, Ch.-H.
Boson, M.
Descoedres, E
Dietlin, P.
Erb, H.
Faucherre, H.
Grandjean, W.
Rudin, H.
Schwarz, G.
Weber, M.
Zellweger, O.

U.S.A.

Chicago—The Co-operative League of the
U.S.A..... Ayres, W. A.
Bremer, D.
Brueggeman, O.
Carpenter, W.
Carpenter, Mrs. W.
Cluck, J. R.
Cluck, Mrs. J. R.
Cowden, H. A.
Cowden, Mrs. H. A.
Culbreth, H.
Detlefson, T.
Dunlap, Mrs. G.
Falls, Dr. A. L.
Hovey, E.
Jennings, J.
Jensen, H.
Kamper, R. S.
Kreie, E.
Lair, F.
Lincoln, M. D.
Lotzgesell, H.
Mueller, C.
Myers, Mrs. C. E.
Patrick, H.
Peterson, H. J.
Pingry, L.
Rehm, A. O.
Rohde, E.
Rohde, Mrs. E.
Smaby, A. J.
Smaby, Mrs. A. J.
Shea, J.
Shea, Mrs. J. F.
Sonquist, D. E.
Uncapher, Mrs. L.
Voorhis, J.
Voorhis, Mrs. J.
Whitney, E. A.
Witthus, R.
Woodcock, L. E.

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., "Centrosoyus" ..

Akhremchik, I. P.
Evdokimov, A. S.
Galakhova, Mrs. E. A.
Gorelovskaya, Mrs. M. I.
Karaseva, Mrs. S. T.
Khokhlov, I. S.
Klimov, A. P.
Kolesnikov, P. I.
Koulikov, C. H.
Kraskova, Mrs. L. L.
Krayshin, I. S.
Kurbanberdy, C.
Makarova, Mrs. I. V.
Malikov, Mrs. S. F.
Nellis, G. A.
Popova, Mrs. A. V.
Rukhadze, L. A.
Shevyakov, P. I.
Vlasav, G. A.
Volosov, V. M.

YUGOSLAVIA.

Belgrade—Glavni Zadruzni Savez FNRJ.....

Segrt, V.
Voutchkovitch, M.

PROCEEDINGS
of the
EIGHTEENTH CONGRESS
of the
INTERNATIONAL CO-OPERATIVE ALLIANCE.

FIRST SESSION

Monday, 24th September, 1951.

OPENING OF THE CONGRESS.

The Eighteenth Congress of the International Co-operative Alliance, in the large Concert Hall of the Odd Fellows' Palace, Copenhagen, opened with brief but impressive ceremonial. The 529 delegates of Co-operative Organisations in 23 countries, ranged in their national delegations, occupied the body of the hall; members of the co-operative, Danish, and international press filled a special gallery; while the other galleries were thronged with the hundreds of visitors, almost as varied in nationality as the delegates themselves, who had come to observe the proceedings.

The President of the I.C.A. and of Congress, Sir Harry Gill, led the members of the Congress Bureau, the official and fraternal representatives, and guests to the platform. Their entry was followed immediately by a cortège bearing the Rainbow flag of International Co-operation, the flag of the United Nations, and the national flags of the countries represented in the Congress. To the accompaniment of the "Ode to Joy" from Beethoven's Ninth Symphony, played by the Copenhagen Philharmonic Orchestra while the assembly stood, the flags were carried in procession to the platform where, arranged on the rear and side walls, they provided a colourful setting enhanced by flowers and ornamental trees.

With Sir Harry Gill at the Presidential Table sat the Danish Minister of Fisheries, His Excellency Knud Ree; the Mayor of Copenhagen, Mr. H. P. Sørensen; the President of the Danish Central Co-operative Committee, Andelsudvalget, Mr. S. Overgaard; Mr. Marcel Brot, a Vice-President of the I.C.A.; Mr. A. Axelsen Drejer and Mr. R. Southern, members of the Congress Bureau; the Director and General Secretary of the I.C.A. They were supported by the Guests of Honour, Representatives of National Governments, Inter-Governmental Authorities and Non-Governmental Organisations, also members of the Congress Reception Committee.

Sir Harry Gill, greeting the Congress with a friendly "Good morning," immediately introduced the Danish Minister of Fisheries, who deputised for the Prime Minister, the Mayor of Copenhagen, and the President of Andelsudvalget who had come to welcome the delegates.

**Welcome from the Government of Denmark
and the City of Copenhagen.**

Mr. K. Ree, Danish Minister for Fisheries: As the Prime Minister is prevented from attending your Congress to-day he has asked me to address you and to convey his cordial greetings.

On behalf of the Danish Government, I have the honour to give the Eighteenth International Co-operative Congress a hearty welcome to Denmark.

I hope that the discussions and the resolutions which will be passed will further the aims of the International Co-operative Movement. I also hope that, during your stay, you will have an opportunity to learn something about the town and the country which you are visiting, and that your visit to Denmark will find a place among your happy memories.

The Co-operative Movement in the different countries has developed in quite different ways. In Denmark we look upon co-operative enterprises as a natural link in the economic life of the nation. Co-operative concerns operate side by side and in competition with other concerns which undertake similar tasks, and the justification and prosperity of Co-operative Societies is due to their capacity to hold their own in free competition. The Co-operatives play a decisive rôle in Denmark's commercial life, and not the least in our main activity, agriculture.

The proceedings at this Congress will no doubt show that there are divergent views about the ways and means of promoting International Co-operation, which is the object of your great Movement, but I will conclude by expressing the wish that your discussions will form a valuable link in the beneficent activity of your Organisation, and that you will, every one of you, derive great profit from the Congress.

Mr. H. P. Sorensen: As Lord Mayor of Copenhagen I have the honour to welcome the Congress of the International Co-operative Alliance to our town. As an old co-operative member, it is to me a special pleasure to bid you welcome to this city, where Co-operation is deeply entrenched in the life of the people.

Many countries will be represented here during the next few days; there will be interesting discussions and important questions will be solved. I hope, as delegates, you will succeed in finding means and ways that will serve the world-wide Co-operative Movement and promote its high ideals.

You are meeting at a time when the world is full of social unrest and deepest political tension, when concern fills the hearts of all thinking men and women. Co-operation, as a Movement, is a constructive force; its basis is the community, and its aim is to raise mankind above all destructive forces to a higher level, to a nobler and freer existence. The community is the rock on which Co-operation is built, and it is the desire of all of us that the idea of fellowship may animate all peoples and all nations of the world in the interests of mankind.

I wish your deliberations the greatest success and hope that your important meetings will leave you a few hours to have a look at our beloved city, and its free, democratic citizens. I bid you welcome to Copenhagen!

Welcome from the Danish Co-operative Movement.

Mr. S. Overgaard, President of Andelsudvalget, the Central Co-operative Committee of Denmark: My first words at the opening of the Eighteenth Congress of the International Co-operative Alliance will be a welcome on behalf of the two Organisations which invited the I.C.A. to hold this Congress in Copenhagen—De samvirkende danske Andelselskaber and Det Kooperative Faellesforbund i Danmark. These two Organisations represent their own sections of the Co-operative Movement in Denmark, and together they represent the whole of Danish Co-operation.

We have endeavoured to make all the arrangements for the Congress as nicely as possible, and we hope that our guests and colleagues from all over the world will feel really comfortable while they are in Denmark. We know from experience how important that is.

Our Congress is meeting under conditions which in many respects are likely to stress the differences between peoples. This does not make co-operation in the different fields outside the political sphere easier. We have to recognise, also, that within the Co-operative Movement there are differences of opinion and methods which, to some extent, may cast a shadow upon international co-operation. On behalf of the Danish Movement, however, I want to express a very sincere wish that our Congress may be characterised more by the things which unite us than by those which divide us. A real effort in this direction is needed if we are to play our part in building a better world and if, when we talk about co-operation, our words have a real meaning.

It is only natural for me to say something about the development and the position of the Co-operative Movement in Denmark. The Danish Movement, since its birth nearly a hundred years ago, has been founded upon the free and voluntary support which its members give to their local Societies and the free co-operation between these Societies and the Central Organisations in the respective fields. It has been in the very nature of the Danish Co-operative Movement that, as far as possible, the independence of its various links has been preserved. We have tried and succeeded to establish permanent co-operation between the different Societies and Organisations in all branches of the Movement.

Naturally, throughout its development, the Movement has been much influenced by the general development of our country. In spite of far-reaching economic and political changes which have taken place, we can say that the development of our Movement has been stable and continuous, not only in administrative and personal respects, but equally in undertaking new tasks. We can truly say that the principle of democratic control, which is the most essential idea of the Movement, is practised to-day in Denmark just as it was when the Movement started, in spite of all the changing conditions.

Danish economy in general and the Danish Co-operative Movement are very much characterised by, and are highly dependent upon, our foreign relations. That is why we attach such great importance to International Co-operation and why we are particularly happy and honoured to have this opportunity of meeting here, in our Danish capital, so many colleagues and representatives from the Co-operative Movements in other countries.

With these words I welcome you once again, in the name of the Danish Co-operative Movement, and express the hope that this Congress may contribute to the strengthening of the Co-operative Movement throughout the world, and the furthering of understanding between the peoples.

The President: I am sure Congress will join with me in expressing our very sincere thanks to the three distinguished gentlemen who have welcomed us to Denmark. To Mr. Ree, who has spoken here on behalf of the Danish Government, I would say that we deeply appreciate his presence. We know that the Co-operative Movement plays a large part in the life of Denmark, and we are pleased that, as a member of the Government, he recognises that and has shown it by his presence with us to-day. We thank the Minister and the Danish Government very much.

We also thank Mr. Sørensen, the Mayor of Copenhagen, for his words of wisdom and his good wishes. He said that one of the objects of our Movement should be to beautify the life of humanity. I think that if we take that as our guiding principle in the decisions which we have to make here this week, we shall not go far wrong. We thank the Lord Mayor and appreciate the welcome of this beautiful city.

Mr. Overgaard welcomed us as the leader of the Danish Co-operative Movement and his words were particularly appreciated. He has expressed the desire that during our stay here we shall be very happy and comfortable and have a nice time. I can assure him that it will be our own fault if that does not happen, because we have already had ample evidence of the desire of the Danish Co-operative Movement to look after our comfort.

I ask these three gentlemen to accept the very sincere thanks of the Congress, not only for giving up the time to be with us this morning, but for the very kind welcome which they have extended to us at the commencement of our Congress.

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

Sir Harry Gill: Although this is our Eighteenth Congress, this is the first occasion upon which the Congress has met in Denmark, a country outstanding in its co-operative activity, and a country where the well-being of its people owes much to the practice of Co-operation. It is not my intention to weary you with statistics, but it is within the knowledge of all that Denmark is a country which depends to a very great extent upon the prosperity of its agricultural industry, and I know of no country which has developed Agricultural Co-operation, Production, Processing, and Marketing to a greater extent than Denmark has done. It is a worthy example to every country represented at this Congress.

The Alliance has now passed its Fiftieth Jubilee and has been in existence nearly sixty years. At its inception it was a small organisation embracing only a few countries. To-day it is world-wide, representing 30 countries, spread all over the world. It represents peoples of all colours and all creeds, speaking scores of different languages, and embraced in its membership are Societies whose range of activities are too numerous to mention.

Our Movement in its many forms is closely concerned with the interests of the workers, and in so far as one of its chief objects is to improve the conditions of life and labour, it has an interest in many questions dealt with by the I.L.O. From the inception of the I.L.O., the Alliance has worked in close association with it. Attached to the I.L.O. is a Co-operative Advisory Committee, and at its last meeting one of the most important items on the Agenda was "Co-operation and I.L.O. action for social and economic action, particularly in the less developed countries."

Problems in the less developed countries are quite different from those experienced by most of the countries represented here. Homeworkers, both industrial and handicraft, outnumber those employed in industrial establishments. As industrialism grows in these countries, care must be taken to prevent the evils caused by industrial concentration. There is the opportunity for these countries to embark on a new way—a better way—more suited to the aspirations and traditions of the workers, and thereby avoid some of the evils caused by the Industrial Revolution in the Western countries. This better way is by organising these industries and agriculture on true co-operative lines. This, along with a study of the problems at present affecting agricultural, industrial, home and handicraft workers, will go a long way to solving the problems facing these countries in their development.

Co-operation has already demonstrated in many countries the important part it can play in the economic and social betterment of the working people, both rural and industrial. Further, it can become an effective implement in the educational field by inculcating the habit of thrift, by the diffusion of general knowledge amongst the members, and by a training in economic affairs. Also, owing to the democratic methods of conducting our Movement, the members can obtain a knowledge of administration and develop qualities of initiative along with a sense of responsibility.

But in carrying out this programme many difficulties must be overcome, and not the least of them will be to find and train nationals who can become leaders and teachers in their own country. In this respect the Alliance has a responsibility which it must face. This idea is not new: it has been discussed by co-operators in the past, but when it comes to the point of practical application one of the greatest problems has been that of finance. Certain proposals will come before this Congress which I hope will meet with your agreement. Distances are great and travel is expensive, also a number of different languages have to be contended with, but I believe if we have the will to carry out this work—which is our duty—then the means will be forthcoming.

On the occasion of all our Congresses and at our Co-operative Day gatherings, we reaffirm our belief in a peace policy, and pledge ourselves to work for its fulfilment. Never in our history was this faith more necessary than it is to-day. When the Committee considered the terms of the Declaration to be issued for the Twenty-ninth International Co-operative Day which has just been observed, they came to the conclusion that they had to take a realistic view of the world unrest with which we were faced, and that the question had to be considered from the standpoint as to what were the conditions necessary to make World Peace possible, believing, as they do, Freedom is the key to Peace. Never

have the peoples of every country willed peace more than they do to-day, but, in spite of this, never were world conditions more unsettled. Within the Alliance and by its 100 million members much can be done.

I close with some words I read a few days ago, and if each one of us could make these words a reality then there would be no more war:

“You are my brother. I have no quarrel with you.
I have nothing but kindly feeling towards you.”

Reception of Fraternal Delegates and Guests.

The General Secretary: The Congress and the International Co-operative Alliance are again honoured by the presence of a number of distinguished guests representing National Governments and International Organisations who it is my pleasure to introduce to Congress: Sir Alec Randall, the British Ambassador at Copenhagen; Mr. P. J. Hynninen, Finnish Minister Plenipotentiary at Copenhagen; Mr. Robert de Douhet, a member of the French Embassy; Mr. Klaus Nergaard, Vice-Consul of the Norwegian Embassy at Copenhagen; Dr. Max Holzer, Vice-Director of the Swiss Federal Office of Industry; Mr. A. Basevi, Italian Ministry of Labour; Miss Florence E. Parker, U.S. Department of Labour, Washington; Mr. Einar Jensen, Agricultural Attaché to the U.S. Embassy at Oslo; Mr. S. C. Fernando, Registrar of Co-operative Societies, Ceylon.

The United Nations Organisation is represented by Mr. Viggo Christensen; the International Labour Office by Mr. Norman Lamming; UNESCO by Miss P. Harris; the Food and Agriculture Organisation of the United Nations by Mr. E. Mortensen; the International Federation of Agricultural Producers by Mr. R. Hewlett; the International Chamber of Commerce by Mr. F. Raffenberg; the Inter-Parliamentary Union by Mr. Vilhelm Buhl; and the International Co-operative Women's Guild by Mrs. E. Egli.

We had hoped to have with us Judge Jesper Simonsen as the representative of the World Federation of United Nations Associations, and Mr. Aake Ording, of the Union of International Associations, but unfortunately they have been unable to come.

Last, but not least, we have two guests who do not need any introduction to an I.C.A. Congress: they are Lord Rusholme, former President of the International Co-operative Alliance, and Mr. Maurice Colombain, former Chief of the Co-operative Section of the International Labour Office.

The President: We should have liked to invite all our guests to speak, but that is quite impossible. We have, therefore, invited only the representatives of the International Organisations.

Mr. Viggo Christensen, United Nations Organisation: It is indeed an honour and a pleasure to be present at your deliberations in Copenhagen. Never before in our time has there been such a need for Co-operation as there is just now, and it occurs to me that a good many people in many lands could profitably look to you co-operators for a lead.

Peace is no new aspiration, but peace to-day must be based upon the principle of universalism. There was a time when each nation could live unto itself alone, when countries were more or less separate parts of

the world, relatively shut off from each other. That is not so to-day; the world must now live and work as a whole, and the United Nations, which was set up in the hope of securing permanent peace, must therefore be world-wide in its scope.

The United Nations was designed as a universal, inclusive organisation. It is an organisation large enough and capacious enough to comprise within its framework all the different nations of the world. It has been set up as a body big enough to embrace all the different political, economic, and religious systems of the world. It has been fashioned as an agency wide enough in its range to take in all the conflicting ideologies and clashing national interests of the peoples of the world.

One thing, above all, it must have; without which it will lack realism and will not survive: it must have the understanding and the individual support of each person; it must have the collective support of the peoples of the world; it must have the mind and will of all peace-loving persons vigorously backing it. Unless you and I and our Governments, and all the peoples of every nation and their Governments, combine our efforts to make the United Nations succeed, the one, the best—indeed the only—hope of lasting peace cannot be realised.

Reading through the Reports to be presented to this Eighteenth Congress of the I.C.A., I have found on almost every page generous and encouraging expressions of goodwill towards the common aims of your Organisation and the one I represent. The United Nations must have the full support of Organisations like yours, and it is indeed gratifying to note what a leading part international collaboration plays in the work and efforts of the I.C.A.

One of the most important fields in which the I.C.A. and the United Nations will meet in future will undoubtedly be the technical assistance programme for under-developed countries, a subject which will also be discussed during this Congress, and no doubt in a positive spirit. Technical assistance on a large scale is one of the most important tasks lying ahead of us all to-day. Merely to remove the momentary threats of war, even to bring the war machine to a halt once it is in motion, will not eradicate war for ever; if this goal is to be achieved, the causes of war must be rooted out. These causes lie frequently in the economic and social injustices which exist throughout the world, and unless the United Nations succeeds in meeting the great challenge of to-day and the next few years in the economic and social development of the two-thirds of the human race who still live in poverty and insecurity, there will be no hope of peace. For this task the United Nations needs the help of everybody of good will, and welcomes the offers of co-operation extended by your Organisation.

In the name of the Secretary-General of the United Nations, I extend to the delegates attending this Congress greetings and all good wishes for a successful and fruitful meeting.

Mr. N. Lamming, International Labour Office: On behalf of the Director-General of the I.L.O., I have pleasure in wishing your Congress every success. By different but complementary methods the I.C.A. and the I.L.O. are trying to promote economic and social progress according to the same conception of mankind and of human welfare as you yourself, Mr. President, outlined in your Presidential Address. It is, therefore, not surprising to

find numerous examples of service being rendered simultaneously to our two Organisations by the same persons. Among the eminent personalities who by their activities have demonstrated this community of ideas I might mention two whose names symbolise both the past and the present of the I.L.O., namely, the first Director of the I.L.O., Albert Thomas, and another outstanding figure in both the French and the International Co-operative Movements, Paul Ramadier, who has recently been elected Chairman of the Governing Body.

Ever since the foundation of the I.L.O., thirty years ago, the same community of ideals has brought the Co-operative Movement into practical association with the I.L.O. Not infrequently co-operators are to be found amongst the delegates or the technical advisers to national delegations to our International Labour Conference. As the President has mentioned, the I.L.O. maintains an Advisory Committee on Co-operation, consisting of experts from different branches of the Co-operative Movement, the scope of which is being extended in order to make it still more representative of co-operative activity in various parts of the world.

The International Co-operative Alliance enjoys consultative status with the International Labour Organisation, and is thus able to participate directly in the various Conferences, Committees, and even meetings of the Governing Body. In this way, it has an important and continuous means of bringing to bear its information and ideas upon the various questions with which the I.L.O. is called on to deal.

The fields in which the I.C.A. can collaborate with the I.L.O. are many and varied. In addition to co-operative questions proper, problems of productivity, housing and man-power, social problems, problems of agriculture and conditions of work, the protection of women and young workers, social security, man-power, and migration all come into it. In the field of man-power the I.L.O. is at present applying a very comprehensive programme; with regard to migration, a Conference at Naples next month will consider a vast project to be conducted under I.L.O. auspices, and the non-governmental organisations interested in migration will be invited to be associated closely with our efforts within the framework of the new migration administration which the Conference will discuss. This will no doubt be of special interest to the I.C.A., as our programme of action includes the question of co-operative forms of migration and settlement.

With regard to co-operative questions proper, I need scarcely recall that since its very inception the I.L.O. has maintained a special service to follow the development of the Co-operative Movement. Since your last Congress three years ago various aspects have been taken up for discussion by different committees of the I.L.O., and reports on co-operation have been prepared or figure on our current or future programmes as a result of the recommendations of such meetings. In addition, at the request of various inter-governmental organisations such as the United Nations and its Economic Commissions for Europe, and for Asia and the Far East, the F.A.O. and UNESCO, the I.L.O. has prepared studies or reports on special aspects of co-operation of interest to such bodies. At the request of member Governments or governmental institutions the I.L.O. is supplying information on co-operative matters, while officials of the I.L.O. Co-operation Service have, in the past two years, visited a large number of countries

in Asia, the Near and Middle East, and Latin America to provide advice or to render service to Governments on questions of co-operative development.

Furthermore, under the extended programme of technical assistance, which Mr. Christensen has just mentioned, the I.L.O. has been called on to extend its practical action in the field of co-operation, along with man-power and social security and handicrafts, and in handicrafts one of the essential problems is often that of organising producers on co-operative lines. This constitutes one of the major branches of our technical assistance programme. To judge by the number of requests received by the I.L.O., the importance of co-operative organisation in the development of handicrafts and small-scale industries is indeed inferior only to that of man-power among the problems encountered by Governments of under-developed countries.

The action undertaken by the I.L.O. in this field, if it is to attain its full desired effect, must naturally draw upon the experiences of the Co-operative Movement as a whole, in particular of the I.C.A. and Co-operative Organisations in countries where the Movement has made greater progress and thus provides both a lesson and an example for other countries which recognise and wish to employ co-operative principles in building up their national economy and social system.

At the present time it is the duty of international organisations, both governmental and non-governmental, to re-emphasise that the attainment of the objective of a lasting world peace is more than ever dependent on bigger efforts directed at laying the foundations of social and economic well-being. There must be no diminution of the international effort in which these organisations are engaged.

The I.L.O., therefore, welcomes the interest which you, Mr. President, have so clearly demonstrated in your Presidential Address. It hopes that the activities of the I.C.A. will continue to expand, and that in the now traditional spirit of collaboration between the two organisations the I.C.A. will continue to work hand in hand with the I.L.O. for the attainment of those mutual ideals which have, for so long, inspired their respective endeavours.

Miss P. Harris, UNESCO: I am very happy to bring to this Congress the greetings of the Director-General of UNESCO, and to wish it success.

As this is the third International Co-operative Congress at which UNESCO has been represented, I should like to review briefly what has been accomplished in bringing about the closer collaboration of the two Organisations in those of their activities which cover common ground.

Since the Zurich Congress in 1946 contact between the International Co-operative Alliance and UNESCO has been steadily intensified; and last year the Alliance entered into consultative arrangements with UNESCO.

In addition to the contributions made by the I.C.A. and its member Organisations to a number of UNESCO publications, the main points of contact have naturally been with the departments which deal with adult education and workers' exchange programmes. The International Co-operative Movement has played an active part in the work of the Consultative Committee on Adult Education, which was set up on the recommendation of the International Conference on Adult Education held in Denmark in

June, 1949. Mr. Barbier, of your Central Committee, attended the first and second meetings of the Committee in 1949 and 1950, and we look forward to his renewed participation at the next meeting in November.

In view of its long-standing interest in the international aspects of workers' education the coming meeting should be of particular importance to the I.C.A., since its main task will be to work out the detailed arrangements for the International Centre of Adult Education, to be established by UNESCO in Paris in 1952. The work of the Centre will fall into two parts; during the first period, UNESCO will itself organise a series of seminars on different problems of workers' education; while the second period will be left free for recognised workers' organisations to run their schools or educational conferences, making use of the Centre's facilities.

The other close point of contact has been with the workers' section—which is my own section—within the Exchange of Persons Service, and we hope to have the close co-operation of the I.C.A. and its affiliated Organisations in relation to our 1952 programme.

The last session of UNESCO's General Conference voted a special budgetary allocation for the promotion of different types of international educational activity organised for manual and non-manual workers in member States. Part of this fund has been earmarked to cover the travelling expenses of trade union or co-operative groups from European countries for whom short study tours are arranged within the European region. To implement this plan UNESCO has invited all the appropriate Non-Governmental Organisations, of which the I.C.A. is the largest, to make the scheme known to their affiliates and, later on, to appoint a delegate to the Selection Committee, which will recommend—from the many projects we hope to receive from Co-operative Organisations and trade unions in the European Member States—the most suitable projects to receive grants.

Co-operative Organisations, for years, have organised such study tours, in order to give their members a real insight into living and working conditions in other countries, and by initiating its own plan UNESCO hopes to stimulate the expansion of an activity which we all recognise as being one of the best ways of increasing understanding between the people of different countries.

This desire to help the people of one country to a better understanding of the people of another is the most vital common factor between the I.C.A. and UNESCO, and we are very glad that the I.C.A. and its affiliates are going to co-operate with us in making the scheme a success.

In this short statement you will notice that I have concentrated mainly on the help given to UNESCO by the International Co-operative Movement. But, as I hope you all know, this is not by any means entirely a one-way street. The special resources of UNESCO are freely available to non-governmental organisations which pursue the same aims. Organisations like your own, with consultative status, have a prior claim upon the facilities which UNESCO has developed in the fields of education, cultural activities, mass communications, and so forth. It is UNESCO's desire to have these services utilised to the uttermost, and it is my hope that the I.C.A., while intensifying its own assistance, will call on UNESCO to an increasing extent so that we may work together most effectively for our common aims.

Mr. E. Mortensen, F.A.O.: It is a great pleasure and a great honour for me, on behalf of the United Nations Food and Agriculture Organisation, to address this important Congress in my native city of Copenhagen.

The International Co-operative Alliance and F.A.O. are both concerned with improvement of the standard of living in all parts of the world, and consequently both want to promote efficiency in production and distribution of food, clothing, and other essential consumer goods. In the Western countries, where industrialisation has been carried further than in any other part of the world, there has been a marked improvement in the standard of living for the great majority of the population, and the Co-operative Movements of consumers and agricultural producers have made a great contribution to this development particularly during the last fifty years. The Agricultural and Consumer Co-operatives in the Scandinavian countries are outstanding examples of what has been achieved. To-day, however, we should not only look at what has been achieved in the past, but face the great problems of the moment and of the future.

The Co-operative Movement has a very great mission in the less developed countries which are in a stage of social and economic transformation. F.A.O. considers it of the utmost importance to stimulate the Co-operative Movement in these countries and, as far as the limited finances of its general budget permit, will assist by giving technical advice and by promoting action in and among its member countries in this field. Under the expanded Technical Assistance Programme, too, F.A.O. can help by providing experts to visit under-developed countries and advise on problems connected with the establishment or development of Co-operative Movements.

In my work on international commodity problems and trade practices, I have noticed with great interest the activities of the I.C.A. to ensure the practical economic collaboration of the Co-operatives in different countries through the International Co-operative Trading Agency since 1937, and the International Co-operative Petroleum Association since 1947. The joint Scandinavian Co-operative Wholesale Society, which was established as early as 1918, is another example of such international collaboration. This kind of joint purchasing arrangements may be one way for reducing costs and assuring to the consumers in the small countries the same advantages as those in the larger markets enjoy.

The restrictive trade policies in many countries before and after the war have put certain limitations upon the growth of such international activities. With the present trend towards at least a regional liberalisation of trade, the Co-operative Movement may have an excellent opportunity, through efficient organisation of production and trade, to fight some of the monopolies which have originated in the shelter of trade restrictions. Increased competition with private trade may benefit all consumers.

Several analyses of European marketing systems have pointed out that very often too little attention is paid to the need for increasing the efficiency of food distribution systems in this part of the world. In the United States, for example, there is much more talk about "the farmer's share in the consumer's dollar," and farm organisations are watching for any increase in the proportion of the consumers' spending being absorbed by the distribution chain. Where the farmers have organised their marketing on a co-operative basis they have improved their bargaining position considerably in

relation to the food processing industry and the chain store systems. This has developed a mutual interest in cost-saving improvements in distribution.

The Co-operative Movement in Europe undoubtedly deserves a great deal of credit for the progress already made in supplying consumers with quality food at competitive prices. Further progress, however, is possible in various fields, and I have seen with great satisfaction that the problem of monopolies, as well as questions relating to improved efficiency in distribution, will be discussed at this Congress.

The Food and Agriculture Organisation is anxious to collaborate with the I.C.A. and any other international organisations working in the co-operative field, and we appreciate your kind invitation to attend this Congress as an observer. With the background of your successful work within countries and between countries, it would be beyond the modesty of F.A.O. to make recommendations regarding your future work, but, nevertheless, it is deeply interested in any further achievements of the Co-operative Movement, nationally and internationally.

On behalf of the F.A.O., I extend best wishes for a successful Congress.

Mr. R. Hewlett, International Federation of Agricultural Producers: I have the honour to convey to this Eighteenth Congress of the I.C.A. the greetings of the President and the member organisations of the International Federation of Agricultural Producers. We thank you for the invitation to be represented here, and we hope that this Congress will strengthen the Co-operative Movement throughout the world.

Our two Organisations have every reason to strengthen the friendly relations which have grown up between us during the first few years of the existence of the I.F.A.P. Some of your members are affiliated to us, and Co-operative Organisations constitute a large and influential part of our membership. You and we recognise the same co-operative principles and strive to have them more widely recognised and practised. As evidence of our concern for both the spirit and the practice of co-operation, it may be mentioned that our Co-operative Service was the first specialised service to be set up within the I.F.A.P. We now have permanent committees on Co-operation and Rural Welfare for both the European and the American continents. The American Committee, on which Canada, the U.S.A., and Mexico are represented, met for the first time only a few weeks ago, on the occasion of the Twenty-third Session of the American Institute of Co-operation. The European Committee met twice during the past year and laid down general lines of work for the secretariat of the I.F.A.P. This is not the place for me to go into the details of that work, but I shall be very glad to discuss this with anyone who is interested.

Active collaboration between the I.C.A. and the I.F.A.P. is still only in its early stages, but we have high hopes of what may be achieved through it. Our combined strength is considerable, and there are directions in which the interests of both our organisations require that it should be applied jointly. One of these is the international fertiliser problem. We were very glad to see the response of the I.C.A. to our invitation last year to take part in a tripartite committee consisting of representatives of the I.C.A., the Horace Plunkett Foundation, and the I.F.A.P. As a preliminary step the I.F.A.P. had made, on its behalf, an expert study of the European fertiliser position. This was referred to our Annual Conference, held

recently in Mexico City, and to the I.C.A. and the Horace Plunkett Foundation. Because of the greater emphasis placed on the availability of supplies since the outbreak of hostilities in Korea, the study did not elicit the interest for which the secretariat had hoped; nevertheless, the position will be kept under review, and we shall be glad to receive any suggestions on any phase of the problem which the I.C.A. might care to make.

We have another, and even more important, opportunity of working together effectively. Both the I.C.A. and the I.F.A.P. enjoy the highest consultative status, Category A, with the Economic and Social Council of the United Nations, and representations to this Council, which is the world's supreme forum for all international economic and social problems, carry more weight if made jointly. Recently the I.F.A.P. asked the I.C.A., the International Federation of Free Trade Unions, and the International Chamber of Commerce if they would be prepared to support the request for the appointment by the United Nations of an *ad hoc* expert committee to suggest possible solutions of international commodity problems. We received at once a highly favourable reply from the I.C.F.T.U., and we await with great interest the response of the I.C.A. and the I.C.C. In these and other spheres we look forward to increasingly close and effective collaboration with the I.C.A., and we wish you a highly successful Congress.

Mr. F. Raffenberg, International Chamber of Commerce: I have the honour of representing the International Chamber of Commerce at this Congress, and on behalf of that organisation, as well as personally, I want to thank you for your kind invitation. The Secretary-General in Paris has specially asked me to emphasize the co-operation between your Association and the I.C.C. in the field of distribution, a co-operation which is highly appreciated by the International Chamber of Commerce. The International Chamber of Commerce wishes every success to your Congress.

Mr. Vilhelm Buhl, Inter-Parliamentary Union: It is an honour and a pleasure for me to bring you the greetings of the Inter-Parliamentary Union. There is intimate contact between the ideas which are fundamental to these two Organisations and between the great aims towards which each in its own way is directing its efforts. Both seek to the best of their ability to develop international collaboration towards a better understanding between nations and for improving the living conditions of the peoples.

Great forces are at the disposal of mankind, but as development has proceeded they have not been able to the same degree to co-ordinate their efforts to establish an equilibrium in economic life, which is a factor in the development of the great possibilities of the conditions of existence, and to distribute the fruits of human labour in a way which will be rational and equitable. This is why one of the greatest social problems of our time is to create a just co-ordination between the efforts in all countries and to direct economic activity in ways which will ensure that it will best serve the well-being of all. Through the economic and social forces at our disposal we can exercise a great effect on social advance. I think that this Congress, which speaks with the authority of millions of co-operators of the entire world, will mark a further step towards international economic co-operation.

In the name of the Inter-Parliamentary Union, I express our good wishes to this Eighteenth Congress of the I.C.A.

Mrs. E. Egli, International Co-operative Women's Guild: The International Co-operative Women's Guild was founded by co-operators in Austria, Belgium, England, and Switzerland with the aim of propagating the noble principles of co-operation, improving the conditions of housewives, and securing their political and economic rights. Guilds in the U.S.A., Holland, Yugoslavia, and elsewhere asked for admission and were accepted, and to-day the Guild includes organisations in 26 countries and represents at least 50 million women who make purchases in co-operative shops. Like the United Nations, our international organisations will attain their true scope only by having the co-operation of women. The I.C.W.G. therefore appeals for support and help from all organisations in which women participate, and for the establishment of others which will afford to women the possibility of educating themselves and learning to take responsibility for the success of our Movement.

As mothers, as co-operators, and as citizens, women constitute by their international co-operation a very solid foundation for peace. We women know that rights automatically entail duties, and we are fully prepared to assume these duties if they are given to us. We shall do our best to promote a spirit of honesty, justice, and collaboration and to suppress evil thoughts which lead to hatred. We do not each wish our own country to be the most powerful; we wish to make it a happy place for our children, and to promote the happiness of others. We want to educate our co-operators in full freedom and perfect peace, to give them a true picture of the world as it is, and to encourage them to develop a new state of mind.

We are told that a million years have passed since the first destructive weapons were made, but for five thousand years among the Egyptians and other ancient peoples the idea of humanity and the development of character and of human conscience was developed. We find ourselves in a period of evolution, and we are barely emerging from primitive darkness. An historical knowledge of the development of the human conscience perhaps calms us a little when we face the difficulties of to-day and makes us hope that, in spite of everything, we may soon reach our aim of establishing peace among men, thanks to the combined efforts of the men and women of to-day and to-morrow.

The co-operative women of all nations and their international organisation hope to be able to contribute to the work of humanity, to the development of the new state of mind of which I have spoken; they ask you who are delegates to welcome them among you, in order that they may accomplish their work amongst women for the good and for the propagation of the Co-operative Movement and its work for peace.

The President: We thank all our friends for their speeches, and we appreciate very much the good wishes which they have extended to our Congress in the name of their respective Organisations. With most of the Organisations we are in close contact, and I should like to take this opportunity of expressing appreciation of all the help that we have had from them in the period since our last Congress.

Appointment of Tellers.

The General Secretary, on behalf of the Congress Committee, submitted the following names of delegates to act as tellers: Mr. A. Hemstock, Great Britain, as chief teller; Mr. V. van Rossem, Belgium; Mr. J. Henrichsen, Denmark; Mr. J. Jalava, Finland; Miss G. Tedesco, Italy; Mr. E. Descoëdres, Switzerland; and Mr. P. I. Shevyakov, U.S.S.R.

The delegates named were unanimously appointed as the tellers for the Congress.

Appointment of the Resolutions Committee.

The General Secretary: The Resolutions Committee, provided for under Standing Orders, consists of the President and Vice-Presidents of the Alliance, the three members of the Congress Committee, together with six members chosen from among the delegates to the Congress. Mr. Ch.-H. Barbier, Switzerland; Mr. N. Thédin, Sweden; Mr. W. Serwy, Belgium; Mr. J. J. A. Charbo, Holland; Dr. A. Vukovich, Austria; and Mr. A. Rossini, Italy, are proposed as the six members.

The recommendation was adopted unanimously.

REPORT of the CENTRAL COMMITTEE
on the Work of the
INTERNATIONAL CO-OPERATIVE ALLIANCE
1948 to 1951.

The Report of the Central Committee to the Seventeenth Congress emphasised the abundant possibilities and the need for the expansion of the activity of the I.C.A. on the lines of the programme mapped out during the war and approved in principle by the Congress at Zurich. And, in spite of the largely expected intrusion into the discussions at Prague of ideological differences which have nothing to do with the objects of the I.C.A. and the methods by which it seeks to realise them, the delegates parted, we believe, with real hopes of fruitful activity by the Alliance. In looking back over the past three years, however, it has to be admitted that the I.C.A. has been seriously affected as a result of the intensification of those ideological differences between its member Organisations.

So far as its collaboration with the United Nations Organisations is concerned, the pages of this Report present a fairly encouraging and satisfactory picture of what has been attempted and achieved within, on the one hand, the limits of the opportunities offered to the I.C.A. as a Non-Governmental consultant and, on the other hand, the resources available within the I.C.A.

The Promotion of Co-operation was the subject of perhaps the most important of the Prague Congress Resolutions. It laid stress on the duty of the Co-operative Movement to contribute to diminishing the difference in economic development and standard of living between the more advanced and the under-developed countries of the world; it called upon the I.C.A. to continue its work of spreading knowledge of co-operative principles and practice; and stressed that by contributing towards carrying into effect the programme of the organs of the United Nations for the under-developed countries the International Co-operative Movement could powerfully promote the expansion of Co-operation throughout the world.

Since that Resolution was passed considerable financial resources have been allocated to certain of the Specialised Agencies of the United Nations for their technical assistance programmes and a beginning has been made in which the I.C.A. has played a modest part. Its representatives have lost few opportunities of bringing home to the responsible authorities the value and necessity of promoting self-help on co-operative principles amongst the peoples they intend to assist.

It would appear, however, that all that can be said by way of broad general statements has been said, and that a new phase, characterised by the implementation of practical projects in selected regions, is beginning. From this point of view a great need seems to be emerging for a scheme of concerted action with regard to Co-operation between the Specialised Agencies, particularly the I.L.O. and F.A.O., on the one hand, and Non-Governmental International Organisations, particularly the I.C.A. and I.F.A.P., on the other, each being assigned the rôle it can play most effectively in collaboration with the others.

That, by reasons of its objects and constitution, the I.C.A. has a duty to apply all its influence and mobilise all its resources for the solution of this problem which means so much to the future peace and well-being of all nations, is undeniable; and, while its own material resources are limited, especially compared with those of the United Nations organs, the value of the moral contribution it could make is difficult to over-estimate.

The extent to which the Alliance makes its contribution will largely depend upon the extent to which all its member organisations, in the true spirit of Article 7 of its Rules, regard "Co-operation as neutral ground . . . and act in common."

The Director of the I.C.A.

Mr. Thorsten Odhe, who was appointed Director of the I.C.A. in January, 1948, resigned from the post as from 31st March, 1951.

Mr. W. P. Watkins, Great Britain, appointed by the Central Committee at Oslo in May, took up his duties on 1st June.

New Headquarters of the I.C.A.

The acquisition of more extensive accommodation for the Secretariat and at the same time a headquarters more worthy of the character and standing of the Alliance has been a problem for very many years, in fact, since long before the second world war.

The high cost, in addition to the small resources of the Alliance, either of renting or purchasing suitable property has been the main obstacle to a solution.

Since 1946 the problem has become a more pressing one, and in view of the shortage of office accommodation in London a more difficult one to solve.

After a long search, in the course of which many properties were viewed, a house, 11, Upper Grosvenor Street, London, W.1, offering facilities for suitable adaptation, was found, and with the full approval of the Executive the unexpired Lease of 67 years has been acquired at the price of £35,000.

When the decision was taken it was hoped that the Secretariat would have transferred to the new offices towards the end of the year, but the architect to the English C.W.S., who has submitted plans for a number of necessary alterations apart from the complete redecoration of the house,

has stated definitely that the work cannot be completed this year. In these circumstances the tenancy agreement on the present offices has been extended until June, 1952, by which date the architect is confident that the work will be completed.

The alterations and equipment to the house are estimated to cost not less than £10,000, and the upkeep of the new headquarters will be a much heavier charge upon the funds than the cost of the present offices.

The additional accommodation will make it possible for the Secretariat to be extended to render more efficient and varied services to the membership, and this again will demand increased resources.

It is as a first measure towards meeting these and other new financial needs that the Central Committee is recommending Congress that as from January, 1952, all subscriptions shall be increased by 20 per cent.

Membership of the I.C.A.

Membership of the I.C.A. has been one of the most vexed questions with which the Executive and the Central Committee have been concerned since the last Congress, due mainly to the changes in the character and constitution of Co-operative Organisations in the people's democracies, which have resulted from the changes in the countries themselves.

Opposing views have been taken, on the one hand, by the representatives of "Centrosoyus," of the Organisations in the people's democracies and of Lega Nazionale of Italy, who assert that the Co-operative Organisations in the people's democracies have maintained their character of free and voluntary Organisations, democratically controlled; that they conform to the principles of the Rules of the I.C.A. and are eligible for membership.

On the other hand, the representatives of the Co-operative Movements of Western Europe, fully supported by the representatives of the affiliated Organisations in the Americas, are of the opinion that the Co-operative Organisations in the people's democracies are not truly co-operative, in the sense of the Rules of the I.C.A.

The question came to an issue in Paris in November, 1949, on a recommendation to the Executive from the Policy Sub-Committee.* This was debated at great length, some amendments were agreed upon and eventually, in the following form, it was voted by all members present, except Mr. Cerreti of Lega Nazionale, as a directive to the Executive in their examination of future applications for membership, but with the explicit understanding that it should not apply to Organisations already affiliated:—

“ The Executive Committee, whose duty it is to decide on admissions to membership of the I.C.A., consider it necessary to clarify the provisions of Article 8 of the Rules as they understand they should be applied considering that the unity of the International Co-operative

* It must be mentioned that at the end of the first day of the Executive meeting it was learned that the Soviet members were unable to make the journey to Paris; also that Mr. Zmrhal, of Czechoslovakia, was absent.

Movement cannot be established unless the most important general principles of Co-operation are strictly observed by all the affiliated Organisations.

“ These principles, without which any genuine co-operative activity is impossible, are: —

“ 1. Co-operative Organisations must be open to everybody who desires and is able to employ their services, without any discrimination on political, religious, or racial grounds;

“ 2. The organisation of co-operatives must be democratic at all levels; that is to say, they must have the right to elect their committees or other governing bodies without any intervention or pressure from outside, and all members of co-operatives must have the same rights and be able to form and express their opinions freely;

“ 3. Co-operative Organisations must be completely free and independent and must be able to take up a position with regard to all the problems which affect their own interests, or the general interests, independent of the state and public authorities generally, as well as of private organisations (political parties).

“ In countries where the right of free association is denied and where any divergent opinions are suppressed, free and independent Co-operative Organisations cannot exist.

“ It is only in this way that the Co-operative Movement can be in a position to fight against oppression in all its forms and for the liberation of all the social groups, and thus contribute to ensuring peace, and in this way only will a real co-operative system based upon mutual self-help materialise.”

At the next Executive meeting, when the question was again debated with the participation of the Soviet and Czechoslovak members, who strongly opposed the definition on the ground that it constituted an amendment to rules, it was agreed that no new applications for membership should be examined until the Central Committee had taken a decision on the definition of principles.

It was at Helsinki in August, 1950, that the Central Committee dealt with the question. Resolutions were also before them, submitted by “Centrosoyus,” Moscow, Centralny Związek Spółdzielczy, Warsaw, by the adoption of either of which the Central Committee would have reversed the decision of the Executive. By a third resolution from Lega Nazionale delle Cooperative the Central Committee would have regarded the definition as an amendment to Rules and adjourned the question for consideration by Congress.

In the course of a long debate the Soviet and Polish representatives withdrew the resolutions of their respective Organisations in favour of that of Lega Nazionale delle Cooperative, and the following motion was submitted as an amendment to the resolutions: —

“ The Central Committee takes note of the interpretation of the Principles contained in the Rules concerning the admission of new members into the I.C.A. which was voted by the Executive at its meeting in Paris on 17th and 18th November, 1949.

“The Central Committee declares that it is within the competence of the Executive to formulate for itself directives intended to define precisely the principles governing the admission of new members, and it approves the decision taken by the Executive which is in conformity with the Rules.”

On a count, taken under Standing Order 13, the amendment was carried by 58 votes to 32. The resolution of Lega Nazionale delle Cooperative was rejected by 25 votes to 43.

The definition of principles thus became a directive to the Executive in their examination of new requests for membership and its application resulted, in each case by a majority vote, on the non-acceptance into membership of the following Organisations: Hungarian Federation of Co-operative Societies, Budapest; Verband deutscher Konsumgenossenschaften, Berlin; Verband Berliner Konsumgenossenschaften; Konsum-Verband Brandenburg; Verband Mecklenburg Konsum-Genossenschaften; Verband Sächsischer Konsum-Genossenschaften; Konsum Genossenschafts-Verband, Sachsen-Anhalt; Verband Thüringer Konsum-Genossenschaften; L'Union Centrale des Coopératives de Consommation, Tirane; Związek Spółdzielni Spożywców, Warsaw.

Organisations admitted to Membership since the last Congress are:—

- Austria.** Oesterreichischer Verband gemeinnütziger Bau- Wohnungs- und Siedlungsvereinigungen, Vienna.
Oesterreichischer Genossenschaftsverband, Vienna.
Allgemeiner Verband für das landwirtschaftlichen Genossenschaftswesen in Oesterreich, Vienna.
- Germany.** Zentralverband deutscher Konsumgenossenschaften, Hamburg.
- Pakistan.** Punjab Provincial Co-operative Bank, Lahore.
All-Pakistan Co-operative Association, Lahore.
- Belgium.** Institut Provincial de la Coopération Agricole, Liège.
- Egypt.** Société Coopérative des Pétroles, Cairo.
- Jamaica.** The Jamaica Co-operative Union, Ltd., Kingston.

The following statement, based, in the main, upon the statistical returns for 1949, shows—

The Structure of the I.C.A.		
Type of Society.	Number.	Individual Members.
Consumers'	48,429	58,333,603
Workers' Productive and Artisanal ...	11,561	749,250
Agricultural	70,525	17,801,324
Building	2,618	563,556
Miscellaneous, excluding Insurance*	3,540	1,380,323
Credit†	225,455	18,332,521
Total	362,128	97,160,577

* Insurance Societies are excluded because for the most part the insured are members of other types of Societies. They are represented in the I.C.A. by 742 Societies with over 36 million insured persons.

† Comprising global figures for India and Pakistan, representing mainly Credit Societies, but also Consumers', Multi-purpose, Marketing, Artisanal, etc., Societies.

The Committees of the I.C.A.

The Central Committee met at Prague immediately following the Congress, subsequently at Stockholm in June, 1949, at Helsinki in August, 1950, at Oslo in May, 1951, and it will hold its statutory meeting at Copenhagen on the eve of the Congress.

The Executive met at Prague in September, 1948, at Zurich in January, 1949, at Stockholm in June, 1949, at Paris in November, 1949, at Basle in March, 1950, at Helsinki in August, 1950, at Zurich in November, 1950, at Paris in March, 1951, at Oslo in May, 1951, and will meet at Copenhagen.

The small Sub-Committee of the Executive, having as its members the President, Mr. Brot, Mr. Cerreti, Mr. Charbo, Mr. Davidson, and Mr. Serwy, which was appointed to deal with questions affecting the Secretariat and particularly that of office accommodation, has held several meetings during the period under review.

Auxiliary Committees.

Exceptionally few meetings of the Auxiliary Committees have been convened during the past three years.

Meetings of the **International Co-operative Trading Agency** have taken place in conjunction with most of the meetings of the Executive and Central Committee and the Agency submits its report to Congress. (See Appendix I to this Report.)

The **International Co-operative Petroleum Association** also presents to Congress a report of its activity (see Appendix II); its Committee met at Stockholm in June, 1949.

The **Auxiliary Committee of Representatives of Workers' Productive and Artisanal Societies** has only met once since Prague, where it held its first meeting. The occasion of the meeting was at Paris in November, 1949.

The **International Co-operative Assurance Committee** has rarely met more than once a year on the occasions of the meetings of the Central Committee. Thus it met at Stockholm in June, 1949. The Committee presents its report to Congress (see Appendix III).

The **International Co-operative Banking Committee** has not been convened since Prague, consequently it is not in a position to present a report to Congress.

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The **Auxiliary Committee on Agricultural Co-operation** is to be constituted at Copenhagen and will be a first step towards the creation of the specialised Department for Agriculture envisaged in the plans for the extension of the Secretariat.

The desire for the early creation of the Committee was expressed at the informal Conference convened at Prague during the period of the Seventeenth Congress, and the Central Committee at their meeting at Stockholm the following year appointed a Provisional Committee, comprising representatives of affiliated Agricultural Organisations, to draft a Programme and Constitution for a Permanent Auxiliary Committee on Agricultural Co-operation.

The Provisional Committee has accomplished its task; the Central Committee has approved its draft; all the Organisations eligible for membership have been invited to nominate agricultural experts to serve on the Committee, which will hold its first meeting at Copenhagen before Congress.

According to the Constitution eligibility for membership is defined as follows:—

Agricultural Co-operative Organisations, having national dimensions, which are affiliated to the International Co-operative Alliance, directly or through their National Co-operative Unions, and which conform to the definition herewith of an Agricultural Co-operative, shall be eligible for membership of the International Committee on Agricultural Co-operation—

Any Association consisting of agricultural producers, whatever its legal constitution, shall be considered as an Agricultural Co-operative Society for the purposes of membership of the I.C.A. Auxiliary Committee on Agricultural Co-operation, which has as its aims the improvement of economic and social conditions, the joint exploitation—complete or partial—of productive enterprises, and the management of agricultural enterprises, on the basis of the following principles:

Voluntary membership;

Democratic control assured by the election of its administrative organs by the members freely and on the basis of equality;

Limited interest on capital:

Distribution of the surplus to the members in proportion to their participation in the social transactions or the social services of the Association; or assignment of the surplus for educational purposes and the progress of agriculture—

with the further provision that, in view of the fact that the number of Agricultural Organisations members of the Alliance which are eligible for membership of the Agricultural Committee is, at present, so small, affiliated Organisations which are interested in Agriculture or whose members are interested in Agriculture will, for the time being and as a temporary arrangement, be eligible for membership.

Finance.

The Accounts for the financial years 1948, 1949, and 1950 show comparatively little change in the income of the I.C.A., since the Rule covering subscriptions has not been revised since 1946. As reported under Amendments to the Rules, however, the Central Committee are recommending this Congress to approve higher scales of subscriptions to come into effect in 1952.

Expenditure has not yet shown any steep increase, but it must be appreciated that the expansion of the Secretariat on the lines envisaged, that is to say, by the setting up of separate departments for publications, economic research, education, agricultural co-operation, and the development of the external activities of the I.C.A., particularly as regards the promotion of co-operation throughout the world and full participation

in the programme of the United Nations, will demand a much larger income than is at present received. So far these plans have only been realised to a very limited extent, both as regards the expansion of the Secretariat and external activities.

I.C.A. Relief and Rehabilitation Fund.

The limitations upon transfers from this Fund which were in operation at the time of the last Congress were subsequently removed and the transfers of £35,000 each to the Belgian, Netherlands, Polish, and Yugoslav Movements have been completed. The allocation of £80,000 to the French Movement has only been transferred to the extent of £32,100.

The disposal of the balance of the Fund has still to be decided; it comprises the sum of £20,000 in bank; cash donations promised by British Societies, but not paid over, totalling £17,240; donations promised by British Societies in the form of goods to the value of £85,760.

Publications.

Considerable efforts have been made to enhance the value and increase the circulation of the publications of the Alliance. Despite handicaps of different kinds, such as rising costs of production and, as a result, increased subscriptions, also insufficient support on the part of National Organisations in certain countries, these efforts have had appreciable success. Greater support is, however, necessary from the National Organisations in all countries, particularly those in which the languages of the I.C.A. publications are used, to improve the financial situation of the *Review of International Co-operation* and of the News Services.

The *Review of International Co-operation* has appeared in a new format and style since July, 1949. Its range of articles has widened and the resultant increase in circulation from 1,680 copies in 1948 to 2,120 is encouraging. This increase was attained in spite of a substantial rise in the subscription rate, which was necessitated by increased costs. It has not been possible, however, to recover the entire increase in costs from the additional receipts. All costs connected with the publishing of the *Review* went up sharply; for instance, newsprint by 500 per cent, whilst wages doubled. Thus the *Review* still has a deficit, to which the reappearance of the German edition has contributed. This edition resumed publication in January, 1950, and now has a circulation of 1,630, which compares favourably with the other editions if the membership of the Alliance is taken into account. The French edition still has only a very modest circulation of 620 copies, and increased French and Italian support is particularly necessary for it. In general, much more support for all the editions is a matter of first importance, if the *Review* is to maintain and fulfil its function as the main channel for the exchange of co-operative information across frontiers and for the discussion of common problems.

A proposal for the regular publication of a special News Service or Review of the activities of monopolistic cartels and combines was submitted to the Executive at the end of 1948 by Kooperativa Förbundet, Sweden,

which at the same time expressed its willingness, if the proposal were accepted, to accept certain financial guarantees. The Executive approved the proposal and the Director made preparations for the publication in the course of 1949. This involved, in the first place, the appointment of a Principal Assistant for Economic Research whose tasks included the establishment of a library and files, and of regularly following the developments in this vast international field. Following this appointment, *Cartel, Review of Monopoly Activities and Consumer Protection*, appeared in its first issue, as a quarterly, in June, 1950.

Cartel was favourably received by the Movement, by many public enterprises, Governmental and municipal institutions, organisations, and libraries, as well as private business firms. The circulation of the English edition is 750; of the French, 150 copies. Before any expansion of *Cartel* to a monthly, as was originally planned from the year 1951, can be contemplated—and it has a valuable contribution to make in the field of monopoly and cartel study—the material resources of the publications and research departments will have to be considerably enlarged.

The *I.C.A. News Services* appear regularly, the *Co-operative News Service* at fortnightly intervals, the *Economic News Service* monthly. Most of the national co-operative journals now reach the Alliance and it should be possible to expand the *News Services* as soon as additional staff is available.

Spécial publications during the past three years are: *The Report of the Prague Congress, 1948*, published in English and French; *Co-operative Retailing in Great Britain, 1914-1945*, by Mr. J. A. Hough, M.A., which was awarded the I.C.A. Jubilee Triennial Prize.

Social Aspects of Co-operation, a summary of the lectures and discussions at the International Co-operative School at Grange-over-Sands, September, 1949.

International Directory of the Co-operative Press, published in May, 1951, on the basis of replies to a questionnaire sent out to editors of all co-operative journals.

International Co-operation, Volume IV, is in preparation.

Statistics.

The collection of the annual statistics of affiliated Organisations has been an important feature of the work of the I.C.A. for the past 26 years. *Statistics of the Affiliated National Organisations, Volume VI*, covering the years 1938, 1946, 1947, 1948, and 1949 is now in the press and will be published, if not before the Congress, immediately afterwards.

Economic Research.

In the Spring of 1950 the economic research section of the Secretariat was re-established; a principal assistant was appointed but the section is not yet staffed. Up to the present, the time of the principal assistant has been very largely devoted to the preparation of *Cartel*, which involves extensive documentary work including the compilation of a

cartel register. Departmental work proper has, however, been started, for instance, enquiries as to the effect of restrictive monopolies and discriminatory legislation on the Co-operative Movement have been undertaken; a comparative analysis of anti-cartel legislation in Sweden, Britain, and the U.S.A. provided for Nederlandse Verbruikskoöperaties; and a paper prepared for the U.N. on full employment.

In the near future, to the extent that additional personnel resources become available, a comprehensive programme of research studies will be undertaken. The policy which will be followed will be to undertake studies likely to produce results of practical value to the affiliated Organisations.

Henry J. May Foundation.

Centre for the Study of International Co-operation.

The 19th International Co-operative School, organised under the Henry J. May Foundation, which took place at Grange-over-Sands in September, 1949, was an outstanding success, and students found an almost inexhaustible interest in their discussion of "The Social Aspects of Co-operation" which was the theme of the Course. Seventy-one students, mostly officials and employees appointed by their respective Organisations in sixteen countries, took part, and when they were invited at the close of the School to express their opinions upon the Course, their principal—practically their only criticism—was that insufficient time had been allowed for group discussion.

Benefiting by this suggestion the Programme for the 20th International Co-operative School, which assembled at Bloemendaal in the Netherlands in September, 1950, contained only six lectures, two days being allowed for each. Even this time was found hardly sufficient for the adequate treatment of the extraordinarily interesting lectures in the first week of the Course on Co-operation and Collective Economy. In the second week the problem studied at Grange-over-Sands was continued by lectures on "Social Aspects of Co-operation—The Psychological Approach, the Educational Approach, the Economic Approach."

The 21st School is organised to take place at Hindsøgl, Denmark, from the 8th to 22nd September, and for the first time Agricultural Co-operation has an important place in its programme, while the concluding lecture will deal with the vitally important problem of "The Rôle of Co-operation in the Advancement of the Under-developed Countries."

This section of the activity of the I.C.A. offers tremendous possibilities of expansion and development in the direction of the creation of the Permanent Centre for the Study of International Co-operation, which is the purpose of the Foundation.

International Co-operative Day.

Since Congress last met the date of International Co-operative Day, which from its inception in 1923 had been observed on the First Saturday in July, has been changed to the Second Sunday in September.

The celebrations of the Day throughout the world have never synchronised, the strongest reason being that in agricultural countries the month

of July in harvest time. National habits as regards summer holidays and unfavourable climatic conditions in July were other reasons against the original date. The change, however, has not resulted in a synchronised world-wide observance as is seen by the fact that in 1950 some National Movements celebrated on the Second Sunday in September, some on the First Saturday in July, others chose dates more preferable to them individually.

After more than a quarter of a century International Co-operative Day is certainly one of the great days in the co-operative calendar, and it is observed also with real fervour in younger Movements not yet affiliated to the I.C.A., some of which send requests for special messages from the Alliance which can be published and read at their local and national gatherings.

It is usual to record in the Central Committee's Report to Congress the texts of the I.C.A. Declarations.

In 1949 and 1950, as in most years, the Alliance appealed to the Co-operators of the World to manifest their desire and will for Peace, while emphasising that the fundamental principles of co-operation, if practised, would guarantee a world at peace.

**Declaration for the 27th International Co-operative Day,
2nd July, 1949.**

On the 27th International Co-operative Day, the International Co-operative Alliance—comprising Co-operative Organisations in the five continents which seek to implement the high aims of the Co-operative Movement to establish a non-profit-making economy and to raise the economic and social standard of the broad masses in all countries—appeals to the Co-operators of the world to make a powerful demonstration in support of the ideals of free and voluntary co-operation.

It urges them to manifest their will for peace by denouncing all hindrances to its realisation, and by calling upon all those who share their ardent desire for peace solemnly to protest against the possibility of again being subjected to the appalling distress and indescribable suffering caused by modern warfare.

It declares that economic nationalism, which has proved a dangerous incitement to war, must be substituted by free economic collaboration between all nations which will guarantee to all peoples free access to the riches of the earth as well as the right to their equitable distribution, and will give the economically under-developed countries the assistance necessary for their advancement.

In this process combines and cartels, national and international, must be combated with all resources because, by their very structure, they strive to create profits for the few by keeping down production, regardless of the poverty thereby caused to the broad masses, and because the measureless ambitions for power of the stronger among them provoke wars.

The I.C.A. further declares that the Co-operative System is the best instrument for overcoming these grave dangers to peace. Its Ideals of Justice and Freedom for all, and its ceaseless work for Economic and

Social Progress by the power of Voluntary Association exclude exploitation, subjugation, and nationalistic aggression, while Free International Co-operative Trade promoted by the establishment of joint co-operative productive and trading enterprises will ultimately be powerful enough to defeat capitalistic monopolism in its multifarious forms.

Finally, the International Co-operative Alliance pledges anew its full support to the programme of the United Nations Organisation, the aims of which are, by bringing about the peaceful solution of political conflicts, to reduce armaments, to preserve the use of the results of scientific research for peaceful purposes, and, by the establishment of organs for international collaboration in the social and economic fields, to raise world production and improve the living conditions of all peoples.

The Declaration for the 28th International Co-operative Day is quoted in the following section of the report.

Peace.

The Peace Resolution unanimously adopted by the Prague Congress received very wide publicity on the part of the National Movements. It also received interpretations which, in the opinion of the majority of the members of the Central Committee, were contradictory to the spirit and sense in which the resolution was voted by the majority of the Congress delegates. One such interpretation led to the adoption of the following recommendation by the Central Committee in June, 1949: —

“ The Central Committee, referring to the Rules of the International Co-operative Alliance, recalls that Co-operation is neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common and that the independence of the International Co-operative Alliance is the fundamental condition for the unity of the Co-operative Movement.

“ The Central Committee, without denying to any national organisation the right, on its own responsibility, to take decisions on any problems relating to its own country, urgently recommends the national affiliated Co-operative Organisations not to use or interpret I.C.A. Resolutions for internal domestic political purposes.”

At about the same date the Alliance was strongly urged by “ Centrosoyus ” and affiliated Organisations in the people’s democracies to associate itself with the World Congress of Partisans of Peace organised at Paris in May, 1949, by the International Contact Committee of Intellectuals for the Defence of Peace and the International Democratic Women’s Federation. By the decision of the majority of the Executive no action was taken, and at Stockholm in June the Central Committee, by a majority vote, rejected a proposal that the I.C.A. should send a representative to the Permanent Committee of the World Congress of Partisans of Peace.

The Declaration of the I.C.A. for the 28th International Co-operative Day, 1950, which had Peace as its theme, directed the special attention of the membership to certain prerequisites for peace. Its text was as follows: —

“ The International Co-operative Alliance, which unites the National Co-operative Movements of 30 countries, and speaks in the name of

100 million co-operators, has for more than 50 years striven with all the means in its power for Peace through Co-operation, believing that the universal application of the Fundamental Principles of Co-operation offers a guarantee of Peace and Human Progress.

On the occasion of the 28th International Co-operative Day the I.C.A. reaffirms this belief, and directs the serious attention of all its members to certain prerequisites for peace at this time: —

That in every country of the world the people shall enjoy freedom of thought, freedom of speech, freedom of movement, freedom to elect their Government by democratic methods, freedom to create, administer, and control their Co-operative Organisations according to the Principles of Rochdale;

That the standards of living and economic development in the more advanced countries and in the under-developed countries of the world shall be brought to a more comparable level by the raising of the standards in the under-developed countries, particularly by the promotion of Co-operation;

That those countries which have accepted membership of the United Nations shall continue to collaborate harmoniously in the fulfilment of the high aims of the World Organisation in the spirit of the Atlantic Charter, particularly as regards the implementation of the principle of free access to the raw material resources of the world, and, thereby, the curbing of all attempts on the part of monopolistic profit-making cartels and combines to acquire domination of such resources and to control their production, utilisation, and distribution;

That there shall be created an effective international control over the manufacture, in every country of the world, of all types of armaments and all other instruments of war, including atomic bombs.

The International Co-operative Alliance urges its members in all countries to make known their determination for peace; to focus public opinion upon the prerequisites to peace; to use the 28th International Co-operative Day for demonstrating by all possible and appropriate means the will of co-operators for the realisation of peace, so that humanity may be saved from the fear of war, and that there may be promoted throughout the world those conditions in the relations between nations that will engender the spirit of peace and goodwill amongst and to all men."

This Declaration received the approval of the majority of the members of the Central Committee at their meeting in August, 1949, but three resolutions on peace were also upon their agenda submitted by member Organisations in U.S.S.R. and Poland, and by the Lega Nazionale delle Cooperative, Rome. These resolutions had for their purpose to associate the I.C.A., directly or indirectly, with the Partisans of Peace Movement.

As an alternative the Swedish delegation submitted the following text, which was adopted by a majority vote: —

" The Central Committee of the I.C.A., meeting at Helsinki, August 16th to 18th, 1950: —

Calls attention to the resolution on peace unanimously adopted at the I.C.A. Congress of Prague in 1948, in which the Congress stressed that it is the duty of co-operation, in the present international situation even more than previously, to work for peace with all resources at its disposal.

Reaffirms the decision, then taken, to recommend 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 contribution towards bringing them into full effect.

Endorses, in this connection, the proposal unanimously made by the United Nations' International Legal Commission to the effect that any use of armed forces—for whatever purpose it may be—that is not self-defence or the execution of a commission from the United Nations shall be considered a crime against peace and the security of mankind.

The Central Committee, moreover, directs the serious attention of all its members to certain prerequisites for peace at this time:—

That in every country of the world the people shall enjoy freedom of thought, freedom of speech, freedom of movement, freedom to elect their government by democratic methods, freedom to create, administer, and control their Co-operative Organisations according to the principles of Rochdale;

That the standard of living and economic development in the more advanced countries and in the under-developed countries of the world shall be brought to a more comparable level by the raising of the standards in the under-developed countries, particularly by the promotion of Co-operation;

That opportunities shall be created for full international co-operation in the economic field through the abolition of excessive trade barriers, thereby enabling the Co-operative Movement freely to work for higher standards of living in all countries;

That those countries which have accepted membership of the United Nations shall continue to collaborate harmoniously in the fulfilment of the high aims of the world organisation in the spirit of the Atlantic Charter, particularly as regards the implementation of the principle of free access to the raw material resources of the world, and, thereby, the curbing of all attempts on the part of monopolistic profit-making cartels and combines to acquire domination of such resources and to control their production, utilisation, and distribution;

That there shall be created an effective international control over the manufacture, in every country of the world, of all types of armaments and all other instruments of war, including atomic bombs."

In March, 1951, at the meeting of the Executive, "Centrosoyus," Moscow, and Ustredni Rada Druzstev, Prague, submitted Peace Resolutions, again with the object of associating the I.C.A. with the Partisans of Peace Movement, and particularly the decisions of its Second World Congress. The President, however, ruled that the Executive was not competent to consider any new resolution contrary in its purpose to that of the Central Committee.

The Central Committee, to whom the resolutions were submitted in May, rejected them by majority votes.

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

The relations between the I.C.A. and the United Nations Organisations, the U.N. Organisation itself and the Specialised Agencies, had been much extended since the last Congress; every effort has been made to increase the number of contacts, also to intensify them in all fields.

As was stated in the Report to Prague, the establishment of the organisational machinery of the U.N. in the economic, social, and humanitarian fields was then in a process of creation. It has since proceeded, but it is likely to be some time before it is completed.

The extent and scope of the working programme of the United Nations Organisations have been constantly growing, thus providing the consultative non-governmental organisations, particularly those in category "A," with increased opportunities of actively influencing the broad currents of opinions and constructive efforts.

The Economic and Social Council, the executive body of the General Assembly in the fields of economic, social, and humanitarian activities, now has at its disposal a wide network of subsidiary organs and has concluded agreements for active collaboration with a large number of specialised non-governmental agencies. The Council itself has established the following functional commissions: the Economic, Employment, and Development Commission with its sub-commissions; Transport and Communication Commission; Fiscal Commission; Statistical Commission; Population Commission; Social Commission; Commission on Human Rights (with its sub-commissions on the Freedom of Information and the Press; Prevention of Discrimination and the Protection of Minorities; Drafting Committee on the Bill of Human Rights); Commission on the Status of Women; the Commission on Narcotic Drugs. In addition, three Regional Commissions, with the right of determining their rules of procedure and their working programmes, have been established—the Economic Commission for Europe, Economic Commission for Asia and the Far East, and Economic Commission for Latin America. The question of establishing commissions for the Near and Middle East and for Africa has also been raised.

The organisational set-up of the Economic and Social Council comprises, too, the Technical Assistance Board, consisting of the Secretary-General as Chairman and high executive officers of the different special agencies which collaborate with the Council in the field of technical assistance to the under-developed countries.

The Specialised Agencies, which are steadily being brought into closer relationship with the Council, comprise: International Labour Organisation (I.L.O.); Food and Agriculture Organisation (F.A.O.); United Nations Educational, Scientific, and Cultural Organisation (UNESCO); International Civil Aviation Organisation; International Telecommunications Union; l'Union Postale Universelle; World Health Organisation; Interim Committee of the International Trade Organisation; International Bank of Reconstruction and Development; International Monetary Fund. The International Co-operative Alliance, being substantially interested in the work of the majority of the Specialised Agencies, has so far applied for and has been granted consultative status, or similar recognition, with three of them; FAO, I.L.O., and UNESCO.

The facilities afforded to the International Co-operative Alliance, as to other non-governmental organisations with consultative status category "A," to participate actively in the work of the Economic and Social Council are largely determined by the character of the consultative agreement. Important changes have taken place in this respect in the period covered by this Report. The General Assembly of the United Nations in 1949 adopted a resolution requesting the Secretary-General to prepare by the 30th November, 1949, a report on the activities undertaken by the non-governmental organisations with consultative status with the Council up to 1st June, 1949, in implementation of the consultative arrangements made with them, and on their work in support of the activities of the Council, and directing the Council Non-Governmental Organisations Committee, on the basis of the findings of the Secretary-General, to make recommendations to the Council with a view to improving the existing arrangements. The recommendations submitted to the Tenth Session of the Council in Lake Success, February-March, 1950, contained provisions for the extension of consultation to the Secretariats of the Council and its Commissions, with a view to utilising advice and information supplied by the non-governmental organisations already on the preliminary stages of actions to be prepared and of the execution of decisions taken by the Council; for the selection of consultative organisations with a view to making consultation more fruitful also in the field of purely technical advice; and for measures to prevent misuse of the consultative arrangements for political propaganda or for other objectives incompatible with the aims of the United Nations. On the other hand, the recommendations included a proposition designed to curtail the influence of the non-governmental organisations category "A," viz., the abolition of their right to submit proposals for items to be included on the agenda of the Council, the so-called agenda privilege.

The category "A" organisations took a resolute stand against the recommendation to withdraw the agenda privilege, subject to previous screening of proposals by the Council N.G.O. Committee, the decisions of the Committee in this respect being without appeal. The representative of the I.C.A. gave its support to this compromise, which was finally adopted. Further amendments by government delegations, providing for arrangements for a full exchange of views between N.G.O. representatives and government delegates to the Council and for an extension of the agenda privilege to the commissions of the Council, which were adopted by the Council, implied important improvements on the existing arrangements.

In his statement to the Council on this question of the highest importance to the continued relations between the Alliance and the U.N. Organisations, the Director, Mr. T. Odhe, stressed that, by requesting the retention of the agenda privilege, the Alliance was motivated only by a sincere desire to promote the high purposes of the United Nations. It regarded this privilege as one of the basic foundations for an effective collaboration between the "A" organisations and the United Nations. Further, that unilateral regard for prestige or publicity had never been a factor in the willingness of the Alliance to collaborate with the United Nations, rather, the agenda privilege had been looked upon as symbolic of the United Nations confidence in the International Co-operative Movement which had considered it a duty to propagate and promote among its members full solidarity with the aims of the United Nations. It was not for any "A" organisation to pass judgment

as to whether misuse had been made of the privilege by any other "A" organisation, but the report of the Council N.G.O. Committee had stressed the fact that, in many respects, the past three years' experience had marked an experimental stage in the development of the consultative arrangements and, also, that much of the consultation given had been of great value. In those circumstances, would it not be better to adjourn decision on this part of the arrangements, until a further opportunity to apply the existing provisions had been afforded? Should the right of the Agenda Committee to screen the proposals of the Non-governmental Organisations not be considered sufficient protection against the abuse of the privilege and the right of screening be extended to the Council N.G.O. Committee, the Alliance would, however, not feel that its right had been seriously undermined.

The question of increasing the number of members of the Council N.G.O. Committee from five to seven was raised independently of the report of the Committee and unanimously adopted.

Taken as a whole, the changes in the consultative arrangements decided by the Council in 1950 imply a positive restatement of the importance of the contributions of the consultative organisations for the successful working of the U.N. machinery in the economic, social, and humanitarian fields, coupled with appreciable technical improvements in the establishment and expansion of the contacts necessary to make consultation really effective. The scope of consultation having been substantially enlarged by the expansion of the U.N. working programme in these fields and by the extension of the organisational structure of the U.N. to deal with this programme, the full effectiveness of consultation will, however, largely depend on the resources, personal and material, at the disposal of the different consultative organisations to discharge the responsibilities accepted in this respect by the non-governmental organisations. The arrangements as amended will no doubt go some way towards meeting the difficulties involved by the extended responsibilities on the part of the consultative organisations. From this point of view, the arrangement for permanent consultation on the preliminary stages of the work of the Economic and Social Council with the Secretariats is of appreciable practical value in assisting the Alliance to survey the fields of activity of the U.N. in their entirety and consistence, with a view to discovering where its services would be most appropriate and to directing its positive efforts to those tasks without delay or waste of resources. Ultimately, however, the fulfilment of its responsibilities will depend on the capacity of the Alliance to increase the physical volume of its personal and material resources to catch up with the expanding machinery of the U.N. Organisations. This cannot be effected with the ambition of matching, in any way, the extraordinary volume of expertise and technical knowledge centred in those organisations, but to supplement it on the points where interests common to the U.N. activities and the International Co-operative Movement are involved. Even this modest ambition implies growing difficulties for its realisation.

The Central Committee has been faced with these difficulties during the whole period under review. When the Alliance accepted consultative status it also accepted the obligations involved and declared itself to have "a basic interest in most of the activities of the Council." The extent of these activities is demonstrated by the foregoing survey of the organisational set-up of the United Nations Organisation and the special agencies. The

task of following the activities of this vast network of organisations, with their ever-growing volume of documentation and their frequent meetings in various parts of the world, while at the same time maintaining the permanent contacts with the headquarters of the U.N. organisations, in Lake Success, Geneva, and other places, has had to be approached by consecutive decisions of the Committee, designed to provide, for the most part, provisional solutions.

When the new post of Director was created, the Director was charged—beside his other duties—with the general duty of taking care of the relations of the Alliance with the U.N. organisations. On repeated occasions at meetings of the Executive, and of the Sub-Committee on Personnel and Office Accommodation, the Director stressed the necessity of the reinforcement of the personnel resources of the Secretariat to permit him to discharge this responsibility and to cope with his other duties more fully. The Central Committee at its meeting in Stockholm in June, 1949, responding to the request of the Executive, adopted a resolution charging the Director “to make the best possible arrangements for the representation of the Alliance at the various international conferences by having recourse to persons in different National Movements affiliated to the Alliance who are particularly qualified to undertake such representation and, at the same time, easily able to assure it.” The resolution further charged the Director to present, at the next meeting of the Executive, a plan of work, including the methods to be applied in collaborating with the organisations of the United Nations.

The plan of work and the practical proposals of the Director to satisfy the urgent need of expanding the resources to meet more fully the obligations with regard to the U.N. Organisations were presented to the Executive at Paris in November, 1949, when a Sub-Committee was appointed to deal with the question and submit proposals to the next meeting. At that meeting, in March, 1950, the Executive recommended, as the first stage in the implementation of the Director's plan of work, to authorise him to make appropriate arrangements for the permanent representation of the Alliance at the headquarters of the U.N. at Lake Success and Geneva. In pursuance of this recommendation, which was subsequently approved by the Central Committee at Helsinki in August, 1950, the Director made agreements with Professor Edgard Milhaud, Geneva—who had already rendered valuable services by representing the Alliance at various international meetings and conferences—and Dr. Marcel Boson, Lausanne, to act as the permanent representatives at the European headquarters in Geneva, and, in the beginning of 1951, with Mr. Leslie Woodcock, New York, as the temporary acting representative at the Headquarters in Lake Success (now removed to New York). For reasons of health, Professor Milhaud resigned from his appointment in April, 1951.

Despite the various difficulties since the 17th Congress, the Alliance has been able to make noteworthy contributions to the work of the United Nations Organisations and to maintain its standing as the consultative organisation voicing the opinions of the International Co-operative Movement on the various questions of prime importance which have successively entered into the field of the economic, social, and humanitarian activities of the World Organisation. This has been facilitated by the continued

assistance rendered by National Co-operative Movements, particularly the Swiss, French, Italian, and British, in providing expertise and accepting representative assignments. The Co-operative League of the U.S.A. gave continued services, through leading officials and members of the staff of its New York office, in maintaining permanent contacts with the headquarters in Lake Success, until its office was moved to Washington in 1949. These services are most gratefully acknowledged by the Central Committee, as is also the interest demonstrated by a number of National Organisations disseminating through their press, and otherwise, general information on the activities of the U.N. Organisations and their relations with the Alliance. This latter task is of the greatest importance for supplementing the efforts of the Alliance through the *Review of International Co-operation* and its News Services.

Apart from this, there is an ever-growing need for the affiliated Organisations to keep their respective Governments informed of the points of view of the Alliance on the questions to be considered at U.N. meetings and conferences, especially when specific action is taken by the Alliance, in order that its proposals may be adequately supported. This is one aspect of collaboration which so far has been very inadequately observed. The National Organisations, through their representatives on the Central Committee, have every facility for bringing their views on current developments in the sphere of international collaboration before the highest authority of the Alliance between the Congresses, and thus to assist the Alliance in shaping an active policy with constructive purposes, adapted to the changing situations in world economy and social life—a task which obviously cannot be entrusted to the executive officials of the Alliance alone. Since the technicalities of the general working methods of the U.N. Organisations make it very difficult for the Secretariat to circulate the documentation for each U.N. meeting to the affiliated Organisations in time to receive their specific views on the questions to be dealt with, the Alliance must largely rely on the independent initiative of the National Organisations.

As far as the extent of representation is concerned, the Alliance has been able, during the period under review, to secure adequate representation at most meetings and conferences of the U.N. convened in places not too remote from I.C.A., London, or from the centres of permanent representation. It has been represented at all the sessions of the Economic and Social Council—in Geneva, Lake Success, and Santiago de Chile; at the most important meetings of the Council's main functional commissions in the economic and social fields at Lake Success; at conferences of the Economic Commission for Europe and some of its Sub-Committees and Working Groups; at the General Conferences of the International Labour Organisation, as well as at meetings of its Governing Body and of its Committees; at the annual conferences of the Food and Agriculture Organisation and at meetings of its committees; at various meetings and conferences arranged by the U.N. Educational, Scientific, and Cultural Organisation, also at special conferences arranged by the United Nations, such as the Conference on Conservation and Utilisation of Resources, in Lake Success, August-September, 1949, the Conference on Migration in Geneva in April, 1951, and the meeting of the Technical Assistance Committee, in Santiago, in March, 1951.

At most of these meetings and conferences the representatives of the Alliance have availed themselves of the opportunity of making statements, orally or in writing, upon its views on all the more important questions within the purview of the interests of the International Co-operative Movement, and of establishing working contacts with the Secretariats and leading officials of the various U.N. bodies and agencies. As a rule, the Alliance has been represented by the Director or its permanent U.N. representatives when proposals of its own or statements on questions having a bearing on the Congress resolutions have been submitted. But in meetings of a technical character, as already mentioned, it has largely availed itself of the services of experts placed at its disposal by affiliated organisations.

Numerous consultative services have been rendered to the U.N. Organisations by the Secretariat of the Alliance in the form of advice and information, the transmission of requests from U.N. bodies and agencies to the affiliated Organisations, and memoranda on the views and policies of the Alliance on various questions under consideration by the Council or the specialised agencies with which the Alliance has consultative status. In 1949, a memorandum was transmitted to the non-governmental organisations committee on the consultation given by the Alliance to the Council since it was granted consultative status. A memorandum requested by the Secretary-General on the views of the I.C.A. on the question of full employment, on the occasion of the submission of the Experts' Report on National and International Measures for the Maintenance of Full Employment, was submitted in April, 1950. A survey of the present state of development of the Co-operative Movement in its different forms in the various countries of the world, with a view to presenting the experience gained for the benefit of co-operative development in the under-developed areas of the world, was requested by the Sub-Commission on Economic Development of the Economic and Employment Commission of the Council in 1949 and transmitted in 1950. Questionnaires have been transmitted to the affiliated organisations from specialised agencies, for instance, FAO and UNESCO. A request received in 1949 from the training and recruitment division of the U.N. Secretariat for the nomination by organisations affiliated to the Alliance of candidates for assignments as experts and advisers on co-operative organisation, resulted in the transmission of some 50 nominations to be considered by the Technical Assistance Board.

The substance of the statements made and of the proposals brought before the U.N. Organisations have been determined by the general policies of the Alliance laid down in Congress resolutions and decisions and resolutions adopted by the Central Committee regarding the economic, social, and humanitarian questions dealt with in the sessions, conferences, and meetings of these Organisations. The representatives of the Alliance have brought before the U.N. Organisations the resolutions adopted by the 17th Congress, so far as they had bearings on the general activities of the U.N. bodies and agencies or on specific actions proposed and discussed in the Economic and Social Council.

On the question of a convention on international control of **World Oil Resources**, which was tabled at the Fifth Session of the Economic and Social Council, the Congress at Prague adopted the following Resolution:—

“The Seventeenth 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 private and state capitalistic 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 Organisations 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.”

This resolution, was sent to the Secretary-General of the United Nations in May, 1949, with the request for its inclusion in the Provisional Agenda for the Ninth Session of the Economic and Social Council at Geneva in July, 1949. By a technical error on the part of the U.N. Secretariat the documentation was not distributed to the delegates for this session, and the request of the Alliance was put off to the Tenth Session. The Resolution was duly submitted anew, accompanied by a comprehensive documentation elaborated by the Director and approved by the Secretary of the International Co-operative Petroleum Association, Mr. H. A. Cowden. The question was dealt with by the Agenda Committee of the Council in Lake Success on 1st February, 1950, when an opportunity was given to the Director to make a statement on the contents and purposes of the proposal implied in the Resolution. The proposal was sympathetically received, and the majority of the Agenda Committee stressed its high importance in world economy, also the duty of the Council to include it on its Working Programme. The decision of the Agenda Committee was to adopt the proposal for inclusion on the Working Programme of the Council, but to defer its discussion to the Twelfth Session of the Council.

At the Twelfth Session of the Council, at Santiago, Chile, February, 1951, the Resolution was again introduced in the Agenda Committee by the Director, and recommended for inclusion on the Final Agenda by four votes to one. At the opening meeting for the adoption of the Agenda a surprising move was made by the British delegation to the Council, who proposed the deletion of the I.C.A. item on the alleged grounds

that the Resolution had already been submitted to the Fifth Session in August, 1947, motivated by the acute world shortage of petroleum then prevailing and was thus out-dated in the present world oil situation. The representative of the Alliance was unable to correct this misrepresentation as representatives of Non-Governmental Organisations are not allowed by the procedures of the Council to take the floor in procedural matters, and the British proposal was accepted by eight votes to four, with six delegates formally abstaining.

At their meeting at Oslo in May, 1951, after receiving the Director's Report on the Twelfth Session of the Council and pending a review of the future action and policy of the I.C.A. as regards the Oil Resolution in the light of the evolution of the world oil problem since 1948, the Central Committee unanimously adopted the following Resolution which was recommended to them by the Executive:—

“ The Central Committee—having studied the report submitted by the Director to the meeting of the Executive in Paris, and while reserving its decision as to the necessity to revise the Oil Resolution adopted by the Prague Congress; and as to the efforts made by the National Unions to make approaches to the representatives of their respective Governments for their support of the Resolution of the Alliance in the Economic and Social Council, and noting that the Agenda Committee had recommended the inclusion of the Resolution of the Alliance on the Agenda of the Twelfth Session of the Council—

“ Expresses its deep regret that the ECOSOC, being of the opinion that the I.C.A. Resolution was out-dated, should have decided, by a very divided vote, to remove the Resolution from the Agenda of the Twelfth Session, and by so doing should have deprived the I.C.A. of the opportunity of making itself heard; and

“ Expresses also the hope that, in the future, the ECOSOC will give more careful consideration to the opinion concerning an important economic problem formulated by a Non-Governmental Organisation invited to take part in the tasks of the U.N.O. under the terms of its fundamental Charter.”

Conceptions of national egotism in the economic field and of the subordination of international collaboration and solidarity to national sovereignty still are—to judge from the way in which the matter of the Oil Resolution was dealt with at the Santiago session of the Economic and Social Council—sufficiently powerful to delay and obstruct the implementation of the principle of free and equitable access to the world's raw materials to all nations, proclaimed by the Atlantic Declaration and incorporated in Article 55 of the Charter of the United Nations. The International Co-operative Alliance will continue its efforts to voice its opinion before the United Nations that this principle be fully implemented, convinced as it is of its paramount importance to the maintenance of world peace and for the ultimate defeat of economic and military imperialism alike.

The Resolution on **The Promotion of Co-operation** adopted by the 17th Congress, as far as its bearings on the actions of the U.N. Organisations are concerned, was brought before the Ninth Session of the Council, Geneva, July, 1949, in the context of the proposals submitted by the

Secretary-General of the United Nations for an expanded programme of technical assistance to the under-developed countries. In submitting the Resolution, the Director, who represented the Alliance, stressed the following points—that the Alliance had applied for the opportunity to make a statement to the Council because it was convinced that in the initial stages of the economic development of under-developed countries as well as in the subsequent stages, the promotion of the methods and techniques of the Co-operative Movement was the best means of mobilising the broad masses of the population as a driving force in the promotion of economic development as a whole on the basis of the utilisation of domestic resources and the progressive forces of the peoples themselves. The Governments of under-developed countries should, therefore, find it greatly to their advantage to further Co-operation—by means of enacting appropriate co-operative legislation, promoting elementary and general education and special training needed for the expansion of co-operative organisation and activities, also in other ways. The importance of the different forms of Agricultural Co-operation for the small and medium-sized farmers was duly emphasised, as well as co-operative methods in organising artisans and small-scale industry for the efficient manufacturing and marketing of their products as a link in the industrialisation of the under-developed countries. Consumer Co-operation in the under-developed countries, where distribution of goods, in the transitional stage of change from subsistence economy to exchange economy, was for the most part very deficiently organised, would be of an ever-increasing importance in preventing exploitation of the population, in keeping down the living costs and thus increasing the purchasing power of all classes and categories of the population.

Particular stress, in keeping with the Resolution, was also laid on the willingness of the Alliance and its affiliated Organisations to give whatever assistance they could to Governments of under-developed countries in thus promoting Co-operation, e.g., by receiving students, providing experts on Co-operative Organisation, and arranging interchange of co-operative officials between Organisations in under-developed and economically more advanced countries.

Statements re-affirming these promises, and developing specific points, were made at the Eleventh Session of the Council in Geneva, where the representative of the Alliance, Professor Edgard Milhaud, drew attention to the specific importance to under-developed countries of Agricultural Credit Banks as the foundation for developing Co-operative Societies of all kinds. Again, at the Twelfth Session, in Santiago, the Director submitted to the consideration of the Council suggestions made by the Executive at Zurich in November, 1950, for a study of the origins and development of Rural Co-operative Banks and Insurance Societies to be undertaken by an appropriate Specialised Agency, also for one or more international study courses or schools on co-operative organisational methods to be arranged in the same way, and he stated the willingness of the Alliance to give its full assistance for the implementation of these suggestions.

The Resolution on **Co-operation and Housing** adopted by the Seventeenth Congress in Prague was submitted, by means of a Memorandum on Co-operative Housing, elaborated by the Director, to the General Conference of the Economic Commission for Europe in Geneva in May, 1949.

The Memorandum contained a survey of the extension of Co-operative Housing and its organisational methods, on the basis of material provided by the International Labour Office, as well as of the rise and development of co-operative housing in different countries. It stressed the part of the Resolution bearing on the activities of private monopolistic combinations active in the production of building materials, fittings and fixtures, or in the industries of installation, and gave information on efforts by Co-operative Organisations in some countries to curb these detrimental activities by co-operative production of such materials.

Meetings of Committees of the International Labour Organisation and Working Groups of the Economic Commission for Europe dealing partly or specifically with these problems have been attended by experts provided by National Organisations.

It has not been possible to submit the **Resolution on Peace** to the United Nations in full, since Article 71 of the Charter of the United Nations limits the consultative status of the I.C.A. to the Economic and Social Council and does not provide for direct contacts with the Security Council. At the Twelfth Session of the Economic and Social Council, in Santiago, the Director found an opportunity, in his statement on the World Economic Situation, to transmit, in part, the contents of the Peace Resolution to that Council.

The general policies of the Alliance with regard to the activities of **Monopolistic Combinations**, and their repercussions on consumer purchasing power, full employment, and expanding production, the Restoration of Freer International Trade and the Control of International Monopolies, have been made known to the U.N. Organisations whenever an opportunity presented itself. As already mentioned, the Director in April, 1950, submitted a memorandum on Co-operation and Full Employment to meet the request of the Secretary-General in which the views of the Alliance, as stated in different Congress and Central Committee Resolutions, were surveyed and their conclusions exemplified.

At the Eleventh Session of the Economic and Social Council, July-August, 1950, Professor Edgard Milhaud stressed that the implementation of the measures to ensure full employment and combat unemployment proposed in the report of the experts of the United Nations, to be made fully effective, should include the implementation of coherent national and international policies to check the restrictive practices of private monopolies and of measures for achieving the greatest possible continuity and smoothness in the development of economic life.

The policies and measures in the first category, it was emphasised, should include the exposure of the whole activity of national and international cartels and the releasing of independent forces able to counteract the methods of cartels. Attention was also drawn to the conclusion of the I.C.A. memorandum to the Secretary-General how the Co-operative Movement, as demonstrated by past experiences, by entering particular branches of production to break the monopoly power of cartels and combines, would achieve increased employment, not only by an increase in consumption and production, but through its own investments and those which it would compel cartel enterprises to make in the shape of new investments.

With regard to measures in the second category, the attention of the Council was drawn to the specific character of Co-operation in the economy. Co-operative economy being the natural and organic means towards stable and continuous progress, the expansion should be supplemented by the support of the Co-operative Movement to the development of social security measures and of social services. The development of economic branches of public bodies, whether municipal, regional, national, or even international, served the purpose of establishing stability and continuity in the development of economic life. Appropriately drawn-up international agreements on basic materials were effective in ensuring stability and regular increase in the income of primary producers and in their purchasing and investment power, and a sound wage policy in industrial countries served the same purpose.

The views expressed by the I.C.A. memorandum were also brought before the International Labour Conference at Geneva in June, 1950, by Professor Milhaud, and copies of the memorandum distributed to all delegations.

Finally, the Director, representing the I.C.A. at the Twelfth Session of the Economic and Social Council in Santiago in March, 1951, made a statement in which, in particular, the following points were stressed: The World Economic Report elaborated by the Secretary-General of the United Nations had drawn attention to recent changes towards inflationary pressure, characterised by rising prices and increasing living costs in many parts of the world, calling for national and international emergency control measures. In all phases of the development of economic life and all conjunctural situations, the Co-operative Movement, by force of its nature of organised and solidary consumer interests, was prepared to assist the Governments in safeguarding the public interest against forces attempting to speed up inflationary tendencies and turn them to their advantage, such as trade associations, cartels, combines, and other monopolistic organisations in private enterprise. Government emergency measures should be appropriately constructed and adjusted to serve the facilities of the Co-operative Movement to render this assistance. In the field of international measures to control inflation, such as the construction, for example, of allocation schemes for raw materials and other products, due precaution should be taken not unintentionally to promote the monopolistic objectives of international cartels and combines. The question was also put to the Council of how far, pending the coming into full functioning of the provisions for international and national control of international cartels in the Charter of the International Trade Organisation, general and special studies of the spread and effects of international monopolistic combinations could be initiated within the existing organisational set-up of the United Nations.

On other occasions also, as at the Conferences of the Food and Agriculture Organisation, full information has been given on the views of the International Co-operative Movement on the important problems deliberated.

The extent and the intensive character of the relations of the Alliance with the U.N. Organisations since the last Congress demonstrates, on the whole, the immense value of their further expansion. It should not be

concealed that the Organisation, in the course of these three years, has been exposed to several periods of world political crisis, which have had disturbing repercussions on its activities in the economic, social, and humanitarian fields. No comprehensive explanation is necessary why world political conflicts—those between the two ideologically opposed camps of the world and those which we fear may be brewing—profoundly affect these activities and delay progress in implementing the long-term programme in the economic, social, and humanitarian fields. But it is so much the more necessary for all constructive and reconciliatory forces to give their whole-hearted support to the great idea in the history of peoples of the World Organisation of Governments to collaborate and to co-ordinate their efforts to establish the lasting foundations for economic progress, social justice, and the peaceful solution of political conflicts.

The International Co-operative Movement, active through the International Co-operative Alliance, is one of the most powerful of these forces, and, since the establishment of the Alliance as a world federation of free and voluntary organisations, has been united in its efforts to promote the same aims for which the United Nations Organisation came into being after the last War. Therefore, its work of closely collaborating with the U.N. Organisations should be pursued, with intensified efforts in these periods when there are particularly pressing needs for the support and development of the World Organisation. The maintenance and development of relations is a practical task which calls for the appropriation of adequate resources and for corresponding sacrifices on the part of the affiliated Organisations. The relations must be expanded and not restricted. Very little has been achieved so far, owing to lack of resources, in the field of active participation in the social and humanitarian activities of the United Nations, such as the drawing up of perhaps the most important international convention in history, the Covenant of Human Rights, and the propagation of its revolutionary importance for the defence of the elementary freedoms of man. Material sacrifices to this end by the International Co-operative Movement are not wasted in giving the greatest possible material and moral support to the United Nations Organisation, which, despite all its deficiencies and weaknesses, is the most outstanding expression of the will to Peace and Progress of the broad masses of the peoples and the most active instrument to implement this will.

Relations with other Non-governmental Organisations.

Ever since the inception of the arrangements for consultation between the United Nations and the Non-Governmental Organisations, there has been a strong need for expanding contacts between the international organisations in this group to discuss the technical implications of the consultative arrangements and to exchange experiences with regard to their application.

Already in 1947, on the basis of regular personal contacts between permanent representatives of various Non-Governmental Organisations in Lake Success and on the suggestion of the U.N. Department of Public Information, an unofficial **Interim Committee of Non-Governmental Organisations**

having Consultative Status with the U.N. Organisation was formed to prepare a Conference of all consultative organisations. As Co-Chairmen of this Committee were elected the permanent representative of the I.C.A. at Lake Success, Mr. Thorsten Odhe, and the representative of the Inter-Parliamentary Union, Professor B. Mirkin-Gutzevitch. Mr. Odhe resigned in 1948 after his appointment as Director of the Alliance.

The Interim Committee has arranged a series of **Conferences of Consultative Organisations**, the first of which, held in Geneva in May, 1948, in connection with a Conference of all Non-Governmental Organisations called by the U.N. Department of Public Information, prolonged the mandate of the Interim Committee, and drew up the terms of reference for the Committee and the Conference.

It was generally recognised that collaboration between the organisations should be strictly confined to the consultative arrangements and matters directly relative to them; that substantive matters relating to the U.N. activities, to actions taken or resolutions adopted by U.N. Organisations, should neither be inscribed on the agenda nor discussed in any other connection; and that the individual organisations participating in the Conference should have the right of reserving their freedom of action with regard to all resolutions adopted.

The Conference further decided to set up a Study Committee to consider improvements in the consultative process, and another Study Committee on the Legal Status of International Organisations. The I.C.A. was elected a member of both of these Committees, its representative being Professor Edgard Milhaud. The recommendations of the Study Committee on the improvement of the consultative process, based on investigations by experts specially appointed, proved useful in the discussion of the proposals of the Council Non-Governmental Organisations Committee for the revision of consultative arrangements at the Tenth Session of the Economic and Social Council.

The results of the work of the Study Committee on legal status of international organisations, also based on an expert investigation, materialised in a Draft Convention on the Legal Status of International Organisations, which was brought to the knowledge of the U.N. Secretariat.

The Second, Third, and Fourth Sessions of the Conference, in 1949-50, at which the Alliance was represented by the Director and Professor Edgard Milhaud, were held in connection with the Sessions of the Economic and Social Council. The Fourth Session, at Geneva in June, 1950, was mainly concerned with the question of the continuation of inter-organisational relationships within the group of consultative organisations.

In the course of the Sessions, the divergencies and, in some cases, incompatibility of the interests in the evolution of the consultative process between the different categories of consultative organisations had become apparent. Fears were expressed that the technical collaboration between the organisations might unintentionally lead to joint action on substantive matters, or that the U.N. might be induced to deal with the consultative

organisations in such matters on a collective basis. Finally, the opinion was expressed that the field of joint technical services—such as information, provision of documentation, and research—originally envisaged to form part of the activities of the Conference and its Committee, should be entrusted to an independent organisation.

These considerations led to the adoption by the Fourth Session of a proposal to discontinue the activities of the Interim Committee and to establish, in its place, a Bureau for arranging the meetings of the Conference, consisting of a limited number of persons elected in their personal capacity, while the Conference should be concerned only with discussing the consultative arrangements. Organisations having an interest to attend the Conference were invited to support the Bureau by paying a small annual fee.

The I.C.A. informed the Bureau of its intention to participate in the continued Conference and to pay the annual fee required for the current operations of the Bureau.

The important problem of how to organise joint technical services of the kinds indicated in the most efficient way seems to have found a promising solution by the reorganisation of the **Union of International Organisations** in Brussels, into an **International Service Centre**, on the initiative of Mr. Aake Ording, former Director of the United Nations Appeal for Children. The main aims of the reorganisation of the Union are that it shall in no way act as a Federation of International Organisations authorised to deal with substantive matters; that the services it will render will be clearly defined and paid for in each case by the Organisation requesting them; that the financing of the Centre as a whole shall be assured by those payments and not by means of regular membership. The supervising authority will consist of persons having particular interest in international affairs and of experts on international voluntary organisations, chosen in their personal capacity and not representing particular organisations. The practical tasks of the Service Centre will be developed and expanded, according to needs and resources, and will aim at providing a maximum of services to organisations desiring its assistance.

The Alliance has established contacts with the Centre and has made a voluntary contribution of £150 to the costs of initiating its activities and as a token of its moral support of the idea of extended international collaboration expressed by the formation of the Centre.

Besides these relations with consultative non-governmental organisations in general, the Alliance has maintained the relations previously established with international organisations with common ideological or technical interests. It has developed its relations with the **International Federation of Agricultural Producers** and has been represented at several of its meetings and Conferences by observers and fraternal delegates; it continues to take part in the work of the **International Chamber of Commerce**, and was represented by an observer in its Conference in Montreal, Canada, in 1949, in addition to continuing its representation on the Permanent Committee of Distribution.

Obituary.

By the death on the 4th June, 1951, of **Louis de Brouckère** of Belgium, a member of the Central Committee, one of the last of the great co-operative leaders of his generation has passed from our midst.

Grief at his passing, tributes to his life's great work, as well as to his remarkable character, have been manifested in his own country and far beyond, and everywhere with a spirit of deep gratitude for his noble example of love for service to his fellow-men.

Karl Renner, who died on the 31st December, 1950, was a member of the Central Committee for many years until the fateful events in Austria in 1934. By his election in 1945 as President of the Austrian Republic he attained higher national status perhaps than any of the co-operative leaders of his age. Although such a brilliant politician, Dr. Renner's faith in Co-operation and his work in the co-operative field, national and international, have been recognised in the very many tributes paid to him throughout the world. Co-operators in all lands have mourned his passing but remember him with gratitude and esteem.

George S. Woods, who took part in the last meeting of the Central Committee at Oslo and had been renominated for election at this Congress, passed away suddenly on the 9th July. He was first elected to the Central Committee at Zurich in 1946.

In paying homage to the memory of these three former colleagues, the Central Committee honour also the memory of the many other co-operators who, since the last Congress, have passed over to the Great Beyond—men and women who though not all destined to fill high positions in the Movement have, nevertheless, given inspired service to the cause of Co-operation.

On behalf of the Central Committee,

G. F. POLLEY,

General Secretary.

T. H. GILL,

President.

DISCUSSION ON THE REPORT OF THE CENTRAL COMMITTEE.

The President: It is my pleasure to introduce the Report of the Central Committee on the Work of the International Co-operative Alliance, 1948 to 1951. This Report is a record of work done and work attempted; it also deals with some of the problems, as we see them, of the future.

It is not my intention to anticipate the discussion by making a speech. I will only submit the Report on behalf of the Central Committee and formally move its adoption.

We will take the Report section by section.

Introduction.

Mr. Ch.-H. Barbier, Switzerland: I have asked to speak on the first page of the Report in order to make two suggestions and a comment.

The pages which follow deal with definite subjects, but the first two pages are a general Introduction to the report of the Central Committee. This general Introduction refers to one of the resolutions adopted three years ago at the Prague Congress, and says that: "The Promotion of Co-operation was the subject of perhaps the most important of the Prague Congress resolutions." But, at that Congress, we had also a paper by Mr. Albin Johansson on "The Practical Development of International Co-operation in the Economic Sphere," and we all remember, too, the report by Mr. Peddie on "The Co-operative Attitude to Nationalisation."

Would it not be desirable that in future the Introduction to the Report of the Central Committee should contain a brief account of what has happened as regards the most important resolutions voted by the preceding Congress? For my part, I regret to find a reference to only one of the resolutions adopted at Prague.

I should also like to see a summary of the general Report prepared in such a way that it could be used by the co-operative press; such a summary, which could be published by the co-operative journals of all the Movements affiliated to the I.C.A., should present in three or four pages all the problems with which the Alliance is concerned.

It is also said in this Introduction that the representatives of the I.C.A. at the U.N.O. "have lost few opportunities of bringing home to the responsible authorities the value and necessity of promoting self-help on co-operative principles amongst the peoples they intend to assist." It is not my intention to criticise what has been done, but I should like our President to tell us briefly which were the occasions that were lost, so that in the future we may not fail again in the same way.

In the subsequent paragraph it is said: "the I.C.A. has a duty to apply all its influence and mobilise all its resources for the solution of this problem" and that "the value of the moral contribution it could make

is difficult to over-estimate." It seems to me, however, that we have contributions of a technical nature to make if we are entering on a new phase which will be characterised by the carrying out of practical projects in the countries in question. The I.C.A. and the affiliated Movements must make something more than a moral contribution; they must make a technical contribution, as was advocated in the President's Address and in the speech of Mr. Lamming earlier this morning.

The Director of the I.C.A.

The President: I would propose first that Congress should place on record its thanks and appreciation to Mr. Odhe for the services which he rendered to the Alliance as its Director from January, 1948, until the end of March last. Before Mr. Odhe became Director, the Alliance experienced some difficulty in meeting its obligations as a Category "A" Consultant with the Economic and Social Council of the United Nations. The Swedish Movement very generously offered the services of Mr. Odhe as the representative of the I.C.A. at Lake Success. We were very happy for the I.C.A. to be represented by Mr. Odhe. After a while he was appointed Director of the I.C.A., and during the time that he occupied that post he carefully guided our international work, particularly in connection with the United Nations Organisations. He has now left us to return to Sweden. He goes with our good wishes for the future and with our deep and sincere thanks for the services which he has rendered as Director. I feel sure that it will be the unanimous desire of Congress that we express appreciation of Mr. Odhe's services.

The proposal was carried unanimously.

The President: Mr. W. P. Watkins has been appointed to succeed Mr. Odhe. I am not going to attempt to tell you the story of Mr. Watkins's life, but I can say that it has been spent in the Co-operative Movement. To him I would say: "We welcome you, Mr. Watkins, we wish you well, and we believe that if you will only continue for us the good work which you have been doing in other sections of the Co-operative Movement it will be to the advantage of the I.C.A." I have pleasure in introducing Mr. Watkins and will ask him to say a few words.

The Director: Fellow-Co-operators, I can hardly find words this morning in which to express to you my gratitude for your kindly welcome and for the words that the President has just spoken. I will only say to Congress, as I said to the Central Committee at Oslo when they decided to appoint me to this high and responsible office, that I am deeply conscious, more than of anything else, of the responsibility which has been entrusted to me in carrying on the work of the Alliance for the few years for which it will be possible for me to do so, and I hope that at the end of that time it will be possible for this or another President to say that the trust reposed in me has been justified.

New Headquarters of the I.C.A.

There were no comments on this section of the Report.

Membership of the I.C.A.

Mr. I. S. Khokhlov, U.S.S.R.: This question of membership of the I.C.A. is of decisive importance in the development of the Co-operative Movement. The Rules of the Alliance empower the Committees to take decisions on this point, and they are quite sufficient, but the amendment to Article 8 adopted by the Executive in Paris and approved by the Central Committee in Oslo practically closes the door of the Alliance to the Movements in the people's democracies, countries where co-operation is developing rapidly. A study of the reasons which have led to the exclusion of the Movements of Albania, Hungary, and Eastern Germany, also to the refusal of collective status to the Organisations of Roumania and Bulgaria, shows very clearly that the authorities of the Alliance wish to exclude the Movements in the people's democracies, or at least to make their affiliation very difficult.

Attempts can be made to explain the discrepancy between the policy laid down in the Rules and that adopted by the authorities of the Alliance, but in our view the present policy is not in harmony with the spirit that governed the Alliance when the principles of the pioneers were observed. Recently there has been a striking change in the policies of the capitalist countries, and therefore the relationship between these countries and the Co-operative Movement has changed also. In the beginning, when the capitalist countries were developing and there was free competition the situation was different, but we are now facing a new situation, a situation where monopolies are developing, where there is systematic impoverishment of the working masses, and a development of monopolies which foster a policy leading to war. All the means of production are in the hands of the monopolies; the prices they fix are a heavy burden on the co-operatives, but the Governments have given the monopolies a very important position as well as a favourable one in comparison with that of the co-operatives.

In the people's democracies, on the other hand, the power has been given to the people, the means of production are in the hands of the people, while the main object of the Government is to raise the standard of living of the working masses and their culture in general. The Governments of the people's democracies have created quite new and completely different conditions for the Co-operative Movement. The great Lenin himself said that the co-operatives should always be able to function and to have their means of production; that they should be helped by Governmental action. The measures which have been taken by the people's democracies have helped the co-operatives in every way, and the development now taking place is incomparable with that which existed before the new system was introduced. The Alliance cannot neglect this movement in the people's democracies; it must help this development within the framework of the I.C.A.

Some people say that the co-operative movements in the people's democracies do not conform to the principles of the pioneers of Rochdale. This was said about the Soviet co-operatives in 1925, if I remember aright, but when Lord Rusholme and others visited the Soviet Union they found that the co-operatives were working in conformity with the principles of the I.C.A. This is true also of the people's democracies, and if the same kind of enquiry were made in those countries the same conclusions would be

arrived at, for the co-operatives are contributing to the economic and social development of the countries and both the co-operatives and the system as a whole are making progress.

There are many people who do not understand what the people's democracies are, and who do not understand that the lapse of time has been so short that the results cannot be excellent as yet. We have to remember that in 1917 Russia was one of the most backward countries in Europe, that its economy was in the hands of foreign capitalists, but as a result of the three five-year plans Russia has become one of the most important industrial powers as well as the most important agricultural power, with a mechanised agriculture. Further, that in spite of the war, production under the new five-year plan is giving results which represent enormous progress. As early as 1947 it was possible to abolish rationing and bring down the prices of all consumer goods; 40 million people are at work on hydro-electric works and other big industrial developments. Such a development in industry can be attained only with the collaboration of the masses of the people and by the application of a socialist system.

The aims of co-operation are the same everywhere, and ideological differences should not prevent relations between different co-operative organisations; neither should co-operators who subscribe to those different ideologies make derogatory statements about one another. The Soviet delegation propose, therefore, that the amendment to Article 8 adopted at Paris and Oslo shall be reconsidered, and that Article 8 as it now stands in the Rules shall be maintained.

The President: I must point out to Mr. Khokhlov and other delegates that we cannot accept resolutions put forward on the floor of Congress. Any emergency resolution which any delegation desires to put forward must be handed in in writing and must go before the Resolution Committee before it can be discussed.

Mr. K. Cerovsky, Czechoslovakia: I should like to explain our opinion on this question. We think that at a time when efforts are being made to push the world into a new war, no opportunity should be missed of maintaining the unity of the I.C.A. and of having as members the Co-operative Movements of as many countries as possible, in order to increase the importance and strengthen the unity of the Co-operative Movement in the great struggle for the maintenance of peace. It was in this sense that the last Congress of the I.C.A., in Prague, adopted a Peace Resolution in which it was stated: "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."

We expected that the I.C.A. would implement this resolution by uniting the Co-operative Movements of all countries not under fascist régimes, and by bringing them into membership. The majority of the members of the Executive and Central Committee, however, have violated both the Prague resolution and the rules by establishing their own definition of the principles according to which Organisations are regarded as eligible for membership.

Article 8 says: "Associations of persons or Co-operative Organisations which observe the aims of the I.C.A. and the Policy laid down by its Congresses shall be eligible for membership of the I.C.A. Any association of persons, irrespective of its legal constitution, shall be recognised as a Co-operative Society provided that it has for its object the economic and social betterment of its members by means of the exploitation of an enterprise based upon mutual aid, and that it conforms to the Principles of Rochdale."

This provision is absolutely clear, but the interpretation given to Article 8 by the majority of the Executive and of the Central Committee is contrary to the clear wording of the rule. The definition of principles according to which, in the opinion of the majority, new members are to be admitted is in direct opposition to the rules, is directed against the unity of the International Co-operative Movement, and is the expression of a discriminatory policy exercised by the majority against the co-operative movements of the people's democracies.

Let us imagine that the co-operative organisation of the people's democratic republic of China, with its 25 million members, applied for membership, the movement of a country with 500 million workers and peasants, who have thrown off the hundred-year-old yoke of colonial slavery. Should we have the courage to refuse their application also? When the co-operatives from Western Germany were admitted, a small committee, of which Lord Rusholme and Miss Polley were members, visited Western Germany and the German democratic republic, and ascertained that the co-operatives there are entirely independent and free, that membership is open and voluntary, and that the members elect their officials. If representatives from Co-operative Movements in capitalist countries would visit these countries of popular democracy they would see that the co-operatives there are free, that membership is voluntary, and that the administrative organs are democratically elected. Those who attended the Prague Congress had every possibility of convincing themselves of these facts when they got to know the Czechoslovak co-operative movement, and could not reproach it with non-compliance with the principles of Article 8. Only the slanders disseminated by enemies of the people's democracies can be the reason for the opinions held by certain representatives of co-operative organisations in the capitalist countries. If you will send missions to the people's democracies they will bring back reports on the free, independent, and ever-growing co-operative movements there.

The real reason, therefore, why the majority of the Executive and Central Committee adopted the so-called definition of principles for the admission of new members is an attempt to prevent the co-operative movements of the people's democracies joining the Alliance. The majority have brought purely political questions into our deliberations and a policy of hostility towards and discrimination against the co-operative organisations of the people's democracies which are in direct contradiction to the rules and traditions of the I.C.A.

In the name of the Czechoslovak delegation, I therefore propose that the Congress should annul this decision of the Executive and Central Committee, also the discrimination which led to this definition of principles

for the admission of new members; should express regret that the majority should be swayed by such a policy of discrimination; and should decide, on the basis of Article 8, that national co-operative federations of all countries which have not the character of a fascist state, shall be eligible for membership. If the Congress adopts this proposal, the I.C.A. will gain strength and unity; it will ensure that the Alliance will be the true representative of international co-operation, and will fulfil its tasks in the struggle for the maintenance of a lasting peace throughout the world; that it will fight for the unity of the co-operative movement.

Mr. O. Gaeta, Italy: The delegation of the Lega Nazionale delle Co-operative has some comments to make concerning the decision taken by the Executive at Paris in November, 1949, on the interpretation of the Rule governing admission to membership. In the first place, we wish to emphasize that the existing text of the first paragraph of Article 8 is quite clear and corresponds to principles which are accepted by co-operators throughout the world and which have been confirmed by a number of Congresses of the Alliance. We do not understand why this Rule should be amended, or the sense in which it is suggested that it should be interpreted.

We have a legal question to raise. The Rules of the I.C.A. do not give either the Executive or the Central Committee the right to amend or to interpret the Rules. Only Congress has that right, and, so far as the Executive and the Central Committee are concerned, it is their duty to interpret the Rules in their literal sense.

Another question to which I wish to refer is the implied intervention of Governments in the affairs of Co-operative Organisations, and on this I would point out that Article 926 of the Swiss Code des Obligations envisages the possibility of the Swiss Government intervening in Co-operative Organisations and controlling their administration. We have to study each case thoroughly and impartially, and conduct an enquiry in order to have a clear understanding about the organisation of each of the Movements mentioned in this section of the Report. Our delegation, from the point of view of the unity of the I.C.A. and the rights of its members, proposed to the Central Committee that it should defer its decision on the interpretation of Article 8, which had been voted by the Executive, until the Congress had decided whether the Executive and Central Committee have the right to amend the Rules. As that proposal was not accepted by the Central Committee, the delegation of Lega Nazionale desires to ask Congress to take a decision on this legal point.

Mr. P. Takov, Bulgaria: I have the task of bringing before Congress the question of the membership of the Central Co-operative Union of Bulgaria. If you study this question you will see that our organisation is a legal one, and conforms to the rules governing eligibility for membership. Why should our right to collective membership be questioned, and why should more than 400,000 co-operators in Bulgaria be deprived of this right?

The Bulgarian co-operatives are developing in an atmosphere of freedom, and our Movement is supported by the authorities. There is no other trading organisation in our country than the co-operative organisation, which also governs the agricultural economy. Our Movement became a member of the I.C.A. in 1921. Our rules are an expression of democratic principles. The aim of the co-operatives is to give the agricultural section of the country a collective means of work and of financing itself, also of meeting the economic and cultural needs of the population. All workers in Bulgaria, whatever their nationality, if over 18 years of age, have the right to take part in the movement and to vote in its congresses.

Our Movement is a democratic one, and we cannot accept the unfair decision of the Executive, which deprives it of its proper status of membership within the Alliance. We have been asking for this right of collective membership for two years, and a decision has always been postponed because of statistics which had to be checked. The question must be settled now. It is linked with the question of the admission of the Albanian, German, and Hungarian movements. All these questions must be decided by the Congress in accordance with democratic principles and the need for the solidarity of the whole International Co-operative Movement.

Dr. M. Weber, Switzerland: We are dealing here with a problem which is of very special importance for the future of the I.C.A. and which concerns its fundamental principles. At Paris the Executive took a decision on the interpretation of the Rule governing the admission of new members. It is contended by certain members of the Central Committee and of the Executive that that decision represents a violation of the Rules of the I.C.A. and that it would be illegal to interpret Article 8 in the sense which the Executive decided. I should like to analyse this question. The Executive, in conformity with Article 31 of the Rules, has the duty "to admit new members into the I.C.A." It is obvious that, in carrying out this duty, the Executive must take into consideration Article 8 of the Rules, which lays down the fundamental principles of Rochdale to which all applicants for membership must conform. According to Article 10, any Organisation whose application has been rejected by the Executive has the right to appeal to the Central Committee, and Article 27 lays down that one of the duties of the Central Committee is "to deal with appeals . . ." The legal position, therefore, is absolutely clear.

Article 8 lays down the fundamental principles which decide eligibility for membership, the first two of which are voluntary membership and democratic control.

For the reasons which are stated in the Report, the majority of the Executive and of the Central Committee have considered it necessary to define more fully these principles as a directive to the Executive in examining applications for membership. I beg Congress to approve this section of the Report and thereby to approve this definition of principles. It is, in fact, a question of stating more clearly what we understand by voluntary membership and democratic control. We have accordingly declared that to be eligible for membership of the Alliance an Organisation must be completely free and independent of the State and public authorities generally.

Mr. Gaeta, of Italy, has referred to Article 926 of the Swiss Code des Obligations, which, in his opinion, shows that in certain circumstances the Swiss authorities might intervene in the affairs of a Co-operative Organisation. Article 926 of this Code deals with Corporations under public law, and does not in any way affect Co-operative Organisations. It is, in fact, an exceptional provision, which gives the State the right to appoint representatives to the Boards of such Corporations. I repeat that Co-operative Organisations of all types are outside the provisions of this Article 926 and are absolutely independent of the State. I can assure Congress that there is not a single society in the Swiss Co-operative Union to which the provision which Mr. Gaeta has quoted can apply.

In our country the Co-operative Organisations are free and independent, because we live in a true democracy. I know, however, that when we speak here of democracy we do not all mean the same thing. For some delegates the word democracy means dictatorship, and when they speak of freedom we find that they do not mean what we regard as freedom, but, in fact, coercion. Therefore, it is absolutely necessary to make the position clear, and that is why the definition of principles includes the following paragraph: "In countries where the right to free association is denied and where any divergent opinions are suppressed, free and independent Co-operative Organisations cannot exist." Freedom of opinion does not exist in countries where there is forced labour, and in our opinion there is no freedom in countries whose people cannot travel freely abroad and must make plans to escape if they wish to cross the frontier. In our countries, on the contrary, anyone can leave if he wishes to do so, anyone can create any Organisation he likes, and anyone can criticise the Government and the authorities generally. In the opinion of the majority of the members of the Executive and Central Committee, true democracy only exists in countries where real freedom exists, and without this real democracy and real freedom there cannot be any genuine Co-operative Organisations.

Close of the First Session.

SECOND SESSION.

Monday Afternoon.

DISCUSSION ON THE REPORT OF THE CENTRAL COMMITTEE. (continued).

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

Mr. V. Hulduban, Roumania: This is a vital problem for the co-operatives of all countries. The Central Committee has not fulfilled the task entrusted to it. The decision taken by the Executive in Paris in 1949 and by the Central Committee in Helsinki in 1950 show the policy of discrimination adopted by them against progressive co-operators. The principles which have been agreed upon are contrary to the rules of the Alliance. This policy constitutes a breach in the unity of the International Co-operative Movement, to which millions of co-operators cannot agree; it impedes fruitful action and co-operation between different organisations; and is a very great danger to the development of the I.C.A.

The decisions which have been taken are contrary to the principles of the rules of the Alliance. I would refer to Article 7, which says: "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."

The decisions are against the unity of the I.C.A. and also against true co-operation between the different organisations; they are an attempt to introduce discrimination on the ground that some organisations are under a different political régime; they discriminate against the membership of progressive organisations in the Alliance.

It is only against the countries of people's democracy that such measures have been taken, for example, Hungary, Albania, and Eastern Germany. The organisations of these countries fully conform to the requirements of the rules of the Alliance, and their rules are in conformity with the rules of the I.C.A., in that there is democratic control. The aim of the organisations is to improve the economic and social conditions of the people for whom they work.

Every fair-minded co-operator must admit that there must be an end to the kind of decisions which have been adopted recently. The decision to exclude a whole series of progressive movements from the I.C.A. is very much against the true spirit of our movement. I am referring to the decision on the exclusion of the movement in the Polish republic, the movement in the Chinese republic,* as well as the movements of the German and Albanian democratic republics.

* No application for membership has been received from the movement in the Chinese republic.—Ed.

Mr. A. Johansson, Sweden: Some years ago Kooperativa Förbundet, the Central Co-operative Organisation in Sweden, decided that steps should be taken to establish some co-operative enterprises on an international basis, and some success was attained in Norway and Scotland, also in Bulgaria. In Scotland and Norway this international collaboration has continued, but in Bulgaria since the war we have not been allowed to continue the former collaboration. This prohibition is due to the establishment of the people's democracy in Bulgaria, and I would, therefore, point out that in certain countries of people's democracy international co-operative collaboration is not permitted.

Mr. A. P. Klimov, U.S.S.R.: I want to say a few words with regard to the decision of the Central Committee on the applications from the Organisations of the East German republic. From June, 1949, until November, 1950, the membership of the German Organisations was examined, but this examination was terminated by a decision for which **no reasons** were given. I remember the time when, by a decision of the Executive, a commission headed by Lord Rusholme, of which Miss Polley and I were members, visited the three zones of Germany. Their report showed that the consumers' co-operatives were found to have the same freedom and the same rights as they had before 1933.

Therefore I ask what change has taken place since the visit of the commission? All that we know is that these German co-operatives are developing their economy and going forward with their tasks. I do not see any reason for the discrimination now shown against them.

The first Congress of Consumers' Co-operatives in the East German Republic adopted rules which are based on democratic principles and conform to the rules of the Alliance. If you study these rules and the legislation of the republic, you will see that the Government is helping the co-operative movement. There is no law about co-operation as such, but there are provisions in the legislation for helping co-operative organisations in their activities, as regards taxation, also for helping those which were formerly in a difficult financial position.

The German co-operatives are free from political influence. Figures they have given to us show that they have 15,000 stores, more than two million members, an economic activity which seems to assure the development of the movement, also great productive capacities. These co-operatives are fighting for the unity of Germany, for the application of the principles of the Alliance, and of democratic ideology in Eastern Germany. I suggest that the Organisations in the East German republic must be accepted as members of the I.C.A.

Mr. G. Dahrendorf, Germany: Mr. Klimov has just pleaded the case for admitting the Consumers' Organisations in the Eastern Zone of Germany to membership with the I.C.A. You can well imagine that for me, as a German, it is very disagreeable to criticise his statements, but it is necessary that I should do so. Our friend, Albin Johansson, has cited an instance of the impossibility for the Swedish Movement to maintain an enterprise which it had formerly established in Bulgaria. We German co-operators are in the extraordinary position of citing similar examples from our own

country, but in our case it is not a question of one enterprise but of twenty. The Wholesale Society of German Consumers' Societies, whose head office has always been in Hamburg, has twenty modern industrial enterprises in the Eastern Zone, which have been expropriated and are no longer under the control of the Wholesale Society.

We cannot use this Congress as a tribunal, otherwise we could bring forward a great deal of material to prove the absence of freedom in the Consumers' Societies of the Eastern Zone. I will, however, use this opportunity to offer to provide the I.C.A. with the necessary material should it decide to make an investigation.

Mr. Klimov has declared that there are 15,000 co-operative stores in East Germany. The Co-operative Movement stands or falls by the principle of self-help. How did these 15,000 co-operative shops come into existence? By the compulsory expropriation of private retail enterprises by the State and their transfer to the Consumers' Societies. This has nothing to do with the co-operative principles of self-help or self-administration. We regret to have to mention these facts, but we cannot shut our eyes to realities.

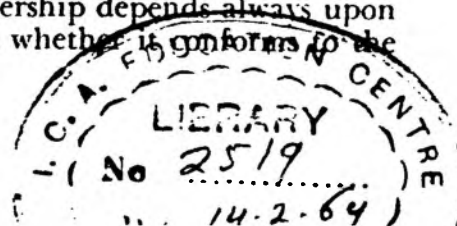
For this reason I ask you to let me state a few fundamental truths. I do not think it is good for any Organisation that the admission of members is made a question of ideological discussion, and it is even worse when it is made the object of a trial of strength. But this is just the situation in which the I.C.A. finds itself and we must face the fact. The guiding principles adopted in Paris for the admission of members are a first attempt to throw light on the subject and to bring about a healthy relationship within the I.C.A. Congress should emphatically endorse these principles—in fact, I would say that Congress should state categorically that it expects the Executive to apply these principles rigorously. Only then will the I.C.A. become a haven of freedom and democracy and be able again to work and function in the way that it should.

Mr. G. Cerreti, Lega Nazionale delle Cooperative, Italy: On this question of eligibility for membership, the delegation of the Lega, first in the Executive at Paris and subsequently in the Central Committee at Helsinki, has consistently opposed the opinion of the majority, as is evident from the Report. This opposition is justified by the fact that we have always believed, and still do believe, that the Rules cannot be amended without a recommendation to Congress, neither can they be interpreted in a manner so rigid that it amounts to an amendment.

The arguments brought here, both from the legal point of view—and that, I think, is the weakest point, as Mr. Gaeta, who is both a co-operator and an eminent lawyer, pointed out—and the political and moral points of view, not only make us doubtful but also anxious. The amendments to the first paragraph of Article 8 constitute, for us, a very grave threat of a division in the International Co-operative Movement, for they have changed the character of the examination of applications for membership from an objective one based on concrete facts to a subjective examination based on personal opinions.

The eligibility of an Organisation for membership depends always upon its own Rules, which are examined to ascertain whether it conforms to the

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requirements of the I.C.A. But as soon as ideological divisions and political interpretations come into consideration, we are in danger of disagreement and of giving a judgment based upon our personal opinion. We must be objective, we must see things as they are, we must find out in what way we have progressed or whether we are going backwards in co-operative organisation. But here political motives are being brought forward. We must ask those who are against the principle of the open door whether they wish to eliminate the Movements in the Soviet Union and the people's democracies.

There are in the world Co-operative Organisations which are at different stages of development, which have undergone a different evolution. We have to remember the laws of historical development to understand that, in spite of different historical development, co-operative principles have not been violated but remain as they are laid down in general outline in the Rules of the I.C.A.

I should like to say a few words to my friend Weber, who yesterday and this morning said some rather harsh things. The Argentine Co-operatives are living at the moment under a personal dictatorship; should we extend our hand to them and receive them among us? Are there Co-operatives in Spain to which we should extend a hand? We in Italy, who have had experience of 20 years of fascism, know that we can never judge a Co-operative Movement in relation to the ideology of its country. We must agree to leave these questions of policy outside the Co-operative Movement and be much more objective. You, Dr. Weber, are from a noble country, a country which, in the past, we have all loved because of its traditions of liberty, a country whose arms are so rusted that they are all put away in old men's cupboards. You, who represent such a country, a country which has all these traditions, why do you come here to promote division, to threaten us when we have found freedom and have created great Co-operative Movements?

Mr. Ch.-H. Barbier, Switzerland: It is not only desirable, but necessary, that this discussion should take place. The decision of the Executive at Paris and that of the Central Committee at Oslo are being seriously challenged before Congress, and it will be for you to condemn or uphold the action taken by your Executive and Central Committee. We are told that millions of co-operators do not support us. What we want to know is whether the co-operators whose will is expressed by the Organisations affiliated to the I.C.A. approve or disapprove, and we are here to submit to your judgment.

Dr. Weber has analysed the decision taken by the Executive at Paris. That decision, briefly, lays down that Co-operative Organisations must be democratic; that co-operators must be able to take up a definite position with regard to all questions affecting their interests and the general interests independently of the State and political parties.

I wonder if Mr. Khokhlov appreciates the significance of the admission he made before Congress when he said that the authorities of the Alliance wish to exclude the Movements in the people's democracies. That is a very

important admission, for if he recognises that the Eastern democracies are not democracies, if he recognises that they are unable to take a definite position, independently and co-operatively, with regard to certain questions, then this may be extremely far-reaching.

Mr. Khokhlov has said that co-operators should not use derogatory terms against one another; we agree, but very recently Mr. Klimov wrote in an important Moscow journal that some of the members of the Executive and Central Committee of the International Co-operative Alliance are in the pay of American capitalism and imperialism. I ask you whether these are derogatory terms and whether such an atmosphere is co-operative and breathable.

This morning, after that moving ceremony in which we saw the procession of flags of all our countries, when we heard the "Ode to Joy" and remembered the words of Schiller: "Alle Menschen werden Brüder" (All men shall be brothers), our President concluded his address with the words: "You are my brother, I have no quarrel with you, I have only feelings of friendship for you." Individually, we certainly have feelings of friendship for the co-operators in the Soviet delegation, in the Czech delegation, but we have come to wonder if they are still really able to reason as free people, if what they say when they speak of us, for example, is really what they think of us.

Mr. Cerreti referred to the merit of Mr. Gaeta, the lawyer, who spoke from this platform this morning. I hope when Mr. Gaeta examines texts which must be legally analysed and which concern the admission of Polish co-operators or others, he does so in a different spirit from that in which he examined Article 926 of the Swiss Code des Obligations. We regard his speech not as a juridical argument, but as a distortion of the law.

Contrary to what Mr. Cerreti suggested, Dr. Weber does not belong to a noble democracy; he belongs to quite a new democracy, and if this little democracy—I may say this, for, although I am representing Switzerland, I am myself a Frenchman—is a very great democracy, it is because it has been faithful to its principles.

There are things in our Rules which perhaps should go without saying, and Article 8 was sufficiently comprehensive when there was a common atmosphere, a common basis for all those united in the Alliance. But to-day we are forced to dot the i's. The decision taken by the Executive at Paris, and by the Central Committee at Oslo, does not introduce anything new to Article 8. I can assure Congress of that, and no lawyer, however crafty, could prove otherwise, but this decision dots the i's at a time when clarity is essential within the International Co-operative Alliance.

Mr. Klimov said in the Central Committee that there is a struggle for power going on in the Alliance. Let us admit it. There is a struggle for power because we do not want the Alliance to be perverted and to lose its profound reasons for existence. There is no desire for a split, and we declared, when the definition was voted at Paris, that it would not entail any exclusion, any measure affecting those who are with us in the Alliance and with whom, we hope and pray, we shall be able to work hand in hand.

Mr. A. S. Evdokimov, U.S.S.R.: Those who have spoken here have again admitted and proved their discrimination against some of the people's democracies. They have spoken about "so-called" democracies and about the freedom in the Western democracies. We should have nothing to say against a fair and honest application of the decisions of the Executive in Paris. We have nothing against that decision as such, because it laid down that any organisation without any discrimination on grounds of politics has the right to be a member of the Alliance; but by the interpretation given to it this decision has been used to help the policy of the bourgeois countries and to discriminate against the policy of the Governments of the people's democracies.

It is easy to find the reason for such an interpretation. It is due to the social changes which have taken place in the people's democracies. I ask Mr. Southern, Dr. Weber, and Mr. Barbier: "What do we know about freedom and democracy in the countries of the Western hemisphere?" In the U.S.A. we know that some leaders have been imprisoned, and that there have been threats to the personal freedom of certain people; people who have contributed to the communist party have been imprisoned; we know also that some amendments have been made to the constitution and that there has been discrimination against progressive movements, organisations which have fought for peace or for the victims of the last war, the members of which have all been registered in the Ministry of Justice. How should we judge such measures and how should we apply those principles on which agreement was reached at Paris in 1949? How, for instance, should we judge the anti-communist hysteria which now exists in America? How should we judge the F.B.I., a secret police organisation which is making an investigation into all organisations, schools, clubs, and even barbers' shops? The director of the F.B.I. has confessed that he has the fingerprints of many millions of people in America, and in all the higher school organisations there is an atmosphere of terror. We know all that, and we know a great deal more about the so-called free organisations of the Western countries and the U.S.A.

Mr. Barbier has spoken of the doubts which exist in the minds of certain delegates about the decisions taken in Paris. These doubts are justified, because these decisions are in accordance with the policy of defending the system of Western Europe, which is not based upon principles of unity. We Soviet people are in favour of the true collaboration of all peoples to promote better living conditions throughout the world. The principle quoted by Dr. Weber and Mr. Barbier, of the freedom to go from one place to another, is really not a freedom shared by all people in Western countries. We consider it necessary to protest most energetically against the interpretation given to the decision taken by the Executive, and against the discrimination shown against the true co-operative organisations in the people's democracies.

Mr. M. Brot, France: This question has already been discussed at length in the Executive and in the Central Committee, and the explanations which have been given here have in no way changed the problem. In the years which have followed the war the Alliance has opened its doors very wide. It has done so with confidence and in the belief that the conditions

which existed in certain countries would be only temporary. But we have witnessed certain manifestly outflanking manœuvres; for example, the application for membership, not of a single East German Co-operative Organisations, but of as many Organisations as there are regions; again, the applications for membership of Organisations in Soviet Republics which are identical with the Russian Central Organisation.

We have had to pay attention to these things in order to preserve the true character of the Alliance, which is that of a meeting-place for Organisations of co-operators who join voluntarily, who conduct their Institutions democratically, and who preserve complete independence *vis-à-vis* their Government. Therefore, we on the Executive felt the need to have a directive to guide us in examining applications for membership.

Our friend the Italian jurist knows that besides the law there is a need for jurisprudence. But in addition to legal texts, if they are not to be differently interpreted by every court, one must, at a given moment, rely on certain judgments, which serve as a guide for subsequent judgments. That is why the Executive, for the sake of its conscience and to assure that it shall not come to a circumstantial decision on the basis of sentimental or more or less accurate information, needs a ruling or directive. This ruling merely gives more precision to Article 8 as regards the principles which I have just enumerated: voluntary membership, democratic control, and independence.

We also need to know in what atmosphere the Co-operative Movement is developing, and when our friend Cerreti comes here and tells us that it is not our concern, I think he is forgetting that, at the Ghent Congress, it was the Italian co-operators who demanded the rejection of fascist co-operators who wanted admission. I think he has also forgotten that, at the Special Conference at Basle in 1933, when certain German co-operators were accompanied by a nazi delegate, they were forced to withdraw by the general indignation of the Central Committee. Therefore, we cannot ignore the atmosphere in which a Co-operative Movement develops, for we wish to know that it is truly free. Having obtained this ruling, subsequent decisions have been taken with great prudence.

Reference has been made to the Polish question. In the Central Committee not only have the Rules been observed, but we went even further. At Oslo we invited the non-member Polish co-operators to defend themselves, to reply to the arguments which had prevented their admission into the Alliance, and, having heard them, we decided that they had no new argument which would justify a change in our decision.

That is all I want to say by way of explanation, but I repeat that, if we wish to maintain the true character of the Alliance, if we wish to have a true atmosphere of friendship, or at least of understanding since we live under different conditions, we must approve here the decision of the Executive and Central Committee.

The President: Mr. Khokhlov wishes to make a personal explanation.

Mr. I. S. Khokhlov, U.S.S.R.: I did not intend to speak, but after Mr. Barbier's intervention I feel obliged to do so. In our Soviet régime criticisms and self-criticisms are highly appreciated, and we do not react against them

because we are not so sensitive as some of our friends in other delegations. Criticisms, however, should be made in all fairness. Mr. Barbier has quoted me as saying that there was no democracy in the people's democracies, but I never said that; I could not say it because it is not true. In a country where millions take part in the work of the country true democracy must exist.

The President: Before proceeding to the vote, I must point out that, as President of the Alliance, I have a personal responsibility for seeing that its rules are observed. Speaker after speaker has made the challenge that the Executive and the Central Committee by their actions have broken the rules. Mr. Gaeta, from Italy, quoted Article 8; usually legal gentlemen quote what suits them but do not quote what is against them. That statement made on behalf of the Lega Nazionale, and repeated by other speakers, cannot be accepted.

I ask the delegates to look not merely at Article 8, which simply sets out in general terms the types of Organisation which can be admitted, but also at Article 9, which says: "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." That Article places a duty on the Executive, before admitting any new member, to have these enquiries made and to be satisfied as to the suitability of the applicant. If they are not satisfied that the Organisation is a suitable one to accept into membership, provision for dealing with the situation is made in Article 10, which says: "In the event of the Executive rejecting an application, the Organisation in question shall have the right of appeal to the Central Committee."

I say to Congress that each of these Articles has been complied with 100 per cent as regards the applications of the Organisations in Eastern Germany, Poland, Albania, and Hungary, even to the appeals of the Organisations going to the Central Committee. There are no grounds for the charge that the rules have not been complied with.

We have come to the end of this discussion. Personally, I feel that the challenge has been so strong that it would be better to give a little more time to the question and have a ballot vote as to whether or not this section of the Report is accepted by Congress. I say that because, if that procedure is not followed, at our next Executive meeting and our next Central Committee meeting the whole subject will come up again and we shall have the same sort of discussion, to the detriment of the real work of the I.C.A. If you agree—I have to have the consent of one-fifth of the delegates—I propose to take a card vote on the acceptance or rejection of this section of the Report. If it is accepted, then Congress, the suprême authority of the Alliance, has spoken and the matter is ended.

Is it your pleasure that we take a card vote?

This was agreed by a show of hands, and a vote was taken.

The President: The result of the vote is as follows: 623 votes for the acceptance of the section of the Report and 353 votes against its acceptance. **The Report is accepted by a majority of 270.**

The Committees of the I.C.A.

Finance.

I.C.A. Relief and Rehabilitation Fund.

There were no comments on these three sections of the Report.

Publications.

Mr. H. Taylor, Great Britain: I hope that we shall have a much larger measure of unanimity in the consideration of this section of the Report than we have had in the previous discussion. It is many years since the *Review of International Co-operation* was first published. References have been made to it on numerous occasions at Congresses, but we have to regret that it has not received that full measure of support to which it has been entitled and, as a result, the *Review* is not exercising that large measure of influence that was expected.

In the Report of the Central Committee to the Prague Congress it was stated that the value of the *Review* could be "vastly augmented." The Secretariat has made many appeals for additional support. In Appendix IV to the Agenda there is a list of the 31 countries affiliated to the I.C.A., in at least five of which English is spoken. Congresses, and particularly International Congresses, are infrequent, but I suggest that contact through the medium of the *Review* can be both sustained and continuous.

The *Review* could become a much more vital and useful means of giving authoritative information covering a very wide field—ways and means of dealing with trade, with legislation, with the progress of and obstacles to our Movement, and, in fact, dealing with all those problems with which the Co-operative Movement is concerned.

I would also call your attention to the circulation figures. If the circulation has only increased from 1,680 in 1948 to 2,120 at the present time, how many years will it take to reach the whole membership of the I.C.A.? I do not say this facetiously at all. We are all serious co-operators, intent on extending the co-operative way of life. I think we can say that the *Review of International Co-operation* has been improved out of all recognition in the past few years, that the contributed articles have been excellent and very informative. I appeal to all delegates to take this matter up, if they have not already done so, when they return to their Societies.

Statistics.

Economic Research.

Henry J. May Foundation.

There was no discussion on these sections of the Report.

International Co-operative Day.

Mr. H. Taylor, Great Britain: This Report, like the last one, refers to the difficulty of securing a universal demonstration on a particular day. This has been referred to at a number of meetings of the Central Committee and at previous Congresses. The decision was taken to move International Co-operative Day from July to September, but there are many Societies in a number of countries which find the new date difficult.

Since International Co-operative Day was inaugurated in 1923 the Movements in some countries have held regular demonstrations, even during the years of the war. It might be asked, at a Congress of this character, wherein lies the value of International Co-operative Day. There is truth in the saying of Goethe that there is need constantly to affirm, always to affirm; and here we have something positive to declare. The Declarations which have been issued by the I.C.A., which have received consideration in the national press and at demonstrations, have proved to be extremely valuable. No one could be present this morning at the opening of this Congress, with its pageantry, without realising the power of emotion as well as of the written word. If we can evoke enthusiasm through the medium of demonstrations we shall have achieved something.

We can publicise the value of co-operation through the medium of our shops, by means of our vehicles, and in many other ways, but, after all, our Movement is something infinitely greater than a trading organisation. There is also the power of symbolism in the rainbow, which is universal and symbolises the faith that we have in co-operation. Though we are living in times of difficulty, the day must inevitably dawn when war will be a thing of the past and when we shall be able to secure that unity to which the human heart aspires.

Many of us are growing old in the service of co-operation, and we may fear at times that our Movement is becoming old. Are we pinning too much faith upon trade and material things, rather than evoking those ethical and spiritual qualities which we know exist in every man and woman? There are occasions when we attend national congresses and local gatherings and have the fear that they are being dominated far too much by those of an older generation. We want to inspire the younger people, to evoke their interest, to use their enthusiasm, and to get them to devote their lives to co-operative service; and, as we know, material things will not adequately suffice to maintain the continuous enthusiasm of the younger people. In this respect, through the demonstrations on Co-operative Day we manifest the cardinal virtues on which co-operation was first founded.

If through the medium of demonstrations we can do something to further the cause, then, whether International Co-operative Day be in the autumn or in the winter, let us see that in every country Co-operative Day is observed. Let us thank those Organisations and those countries which in difficult and arduous years maintained the celebrations of Co-operative Day, while to those countries and Organisations that have allowed the day to lapse, let us appeal in the name of co-operation to give Co-operative Day their fullest measure of support.

Mrs. B. Machacova-Dostalova, Czechoslovakia: The Report which the Central Committee has presented to Congress concerning International Co-operative Day cannot be considered satisfactory. It is obvious that the majority of the members of the Committee did not realise, or did not wish to realise, what International Co-operative Day could mean in the fight for the maintenance of lasting peace and for the unity of the working people of the entire world. The Report does not contain a single fact about how the day was celebrated in the different countries or about the results of the celebrations.

It is the fault of the Executive and of the Central Committee that the I.C.A. limits itself to very vague and general declarations, without taking the initiative for concrete forms of the struggle for the maintenance of peace. We all know that rearmament is proceeding ever more quickly; that it is a source of profit for a very small number of business-men and of suffering and horror for the rest of mankind. We also know that the cost of armaments eats away one-third or even one-half of the national income in capitalist countries. Surely, as co-operators, we cannot be indifferent to the fact that one-third of the results of human labour do not serve to satisfy the needs of the people or the development of the forces of production, but contribute to nothing of value.

The I.C.A. must also take account of the fact that the majority of co-operators know that wars are not ordained in heaven, but are prepared over a period of time by a handful of imperialist warmongers. Co-operators ask how they can contribute to the maintenance of peace and become an important element in the peace camp. In celebration of International Co-operative Day, 23,000 Czechoslovak women co-operators joined in the campaign for signatures to the appeal demanding the conclusion of a peace pact between the five Great Powers.

To-day the peoples of the world are the decisive factor in the struggle for peace and the inflexible enemies of a new war. That is why it is always our task to fight for peace, and on the occasion of International Co-operative Day we should express strongly our demand for peace. The I.C.A. up to now has not been able to make International Co-operative Day a great militant manifestation for the maintenance of world peace, which would make warmongers feel afraid, as they did when hundreds of millions of people signed the Stockholm Appeal, on the occasions of the many Peace Congresses, of the Festival of Youth in Berlin, and other manifestations of the desire for peace, because they know that these manifestations are followed by action, which is the only thing that the warmongers understand.

It is the working class that forms the centre of the organised peace movement, with, in particular, the intellectuals and artists, the people of every country who want to live in peace with their families and not become the victims of atom bomb attacks at the front or in the shelters. The World Festival of Democratic Youth has shown that German youth, in particular, refuse to become the cannon fodder of another war.

These are the reasons why we cannot be satisfied when the majority of the Executive and Central Committee have done nothing to make International Co-operative Day a great manifestation against war and for lasting peace. In the name of the Czechoslovak delegation, therefore, I propose

that Congress charge the new Central Committee to assure that the next International Co-operative Day is prepared for conscientiously and carefully as a great peace manifestation, and that the national organisations shall receive advice and directives on how to use this great day as a manifestation of the whole Co-operative Movement's effort in the fight for a lasting peace.

Peace.

Miss G. Tedesco, Lega Nazionale delle Cooperative, Italy: The Peace Resolution which we unanimously adopted at the Prague Congress in 1948 said that: "For the sake of human progress and to save the broad masses in all countries from unspeakable sufferings and destitution, Co-operators must . . . stand prepared to fight war by untiring united efforts," and recommended the national organisations to carry out this duty "in collaboration with trade unions and other democratic organisations."

Can we say that since the Prague Congress the I.C.A. has done all in its power to carry out this fundamental task? I am sorry to say I do not think it has done so. If you read this section of the Report, you will find that although a great many words are used to say what the I.C.A. did not want to do, or could not do, for peace, there are very few words to say what action it did take.

I agree with what the President told us this morning, that we must look at the question of peace in a quiet and realistic way, but I think there will be agreement with me when I say that the enemies of peace are working to divide the peoples and to deceive them. War is possible only if the peoples are divided; as long as they are united in their will for peace and in defence of peace, it will not be possible for the enemies of peace to provoke a new war.

Co-operation itself is an organisation for peaceful work, and the I.C.A. should always take steps which serve the cause of peace. In my view, the most important step that it can take, in accordance with the Peace Resolution, is to do everything possible to secure freedom of trade amongst the nations and to establish better economic and cultural relations among the peoples. We co-operators realise that these things are necessary for co-operation. We need peace for our trade, for our economic life, and for our social and moral welfare.

I feel that the I.C.A. could have done more to ensure that disputes between States are dealt with by pacts and agreements and not by pistols. Sometimes when the Lega Nazionale delegation has made concrete proposals on the question of peace, the reply has been that people have different ideas about peace. I agree that we do have different ideas, but, as co-operators, we must discuss our ideas with regard to peace and war.

In harmony with the aims of co-operation, we should have tried to do more for peace. As our criticism should not be destructive, but should teach us lessons for our future work, we should determine not to betray the expectations of co-operators. From this Congress a strong voice in defence of peace should be heard, which will cause men and women co-operators all over the world to look to us and to realise that the flag of co-operation is, and always will be, a flag of peace.

Mr. L. Davanzo, Confederazione Cooperativa Italiana: This is the first time I have taken part in an I.C.A. Congress, and it is with great amazement that I have heard what has been said about peace, after the Resolution on Peace which was unanimously adopted at the Prague Congress in 1948, followed in 1949 and 1950 by the Declarations for the 27th and the 28th International Co-operative Day. To reopen this question, as has been done, is something which I do not think is correct.

I think, also, that we cannot expect to achieve more satisfactory results than we have already seen, especially if we realise that the idea of Co-operation embodies the idea of peace. We cannot conceive of International Co-operation without justice, without liberty, and, above all, without peace. When these three fundamental prerequisites are lacking, the word "Co-operation" becomes meaningless.

Finally, we would remind you that society is composed of human beings, and that every single human being has a desire for peace. We refuse to believe that there is anyone who wants war. Therefore, it is a waste of time to go on arguing on this subject, and we should devote our time to discussing the questions which are most vital to International Co-operation.

Mrs. M. Buresova, Czechoslovakia: It is not by chance that a very important subject of discussion at international conferences and congresses is, and will be, the question whether we shall succeed in maintaining peace. It is a sad fact that to-day, less than six years after the end of the last terrible world war, men, women, and children are dying on the battlefields of Korea and Indo-China, and that six years after the defeat of fascist Germany, and contrary to the Potsdam Agreement, a new nazi army is being organised in Western Germany, headed by Hitlerite officers, and Western Germany is being made the armament storeroom of Europe; also that the United Nations, which was to be an instrument for the maintenance of peace, has become the instrument of the militarist policy of the U.S.A. On the other hand, the peoples stand as the decisive factor in the fight for peace. The broad masses in all parts of the world realise more and more that they are playing a decisive rôle in this fight, and they are convinced that it is necessary to fight immediately in order to save peace.

The Seventeenth Congress of the I.C.A. charged the Co-operative Movement in all countries to fight with all its energy and by every means for the maintenance of peace, and gave this task to the organs of the I.C.A. When we look back to see how that resolution has been implemented, we must say that not only has it not been fulfilled, but the majority of the Executive and Central Committee have even gone so far as to persecute certain national organisations, such as the Lega Nazionale, for implementing the resolution adopted unanimously by the Seventeenth Congress.

Great and important world events are taking place, but the I.C.A. has no part in them. It was not represented at the great peace congresses of Paris, Prague, and Warsaw, and it has done nothing to encourage the millions of co-operators to join the powerful peace front, though this would correspond to the wishes of co-operators in all countries. By acting in this way the I.C.A. is helping those who are attempting to unleash a new war; it is helping the imperialists and the warmongers.

If the peace is saved it will be because honest people throughout the entire world want it to be saved and maintained. The Co-operative Movement must contribute towards its maintenance. The Conference of the International Co-operative Women's Guild set an example by the unanimous adoption of its peace resolution by British, German, Polish, Scottish, Belgian, Canadian, Czechoslovak, Austrian, and other women co-operators. This resolution demanded that the five Great Powers should come to an agreement, and this demand was sent to the five Great Powers. If all the forces in the world that want peace join together and work for the maintenance of peace and against war preparations and war propaganda, we shall create a powerful barrage for peace against which the attempts of the warmongers will break, and shall be able to save peace for ourselves and for our children.

Dr. M. Voutchkovitch, Yugoslavia: Every objective observer knows that the I.C.A. has never ceased to be interested in one of the most topical questions of to-day, the question of peace. Since the second world war this question has always been on the Agenda of the Congress as well as of the meetings of the Executive and Central Committee. It cannot be said, therefore, that the Alliance is neglecting the important question of the maintenance of peace. Nevertheless, its voice must be heard, and to-day, when the fear of another war overshadows the world, the I.C.A. and its members, who are trying to promote peace, must express themselves strongly against those who seek to promote a third world war.

It is also essential to say openly and clearly that the co-operators of the whole world want peace, but not peace at any price. They want a lasting peace, a just peace for all nations, great and small, for all peoples, free or still oppressed, for all nations regardless of colour, regardless of whether they be advanced or backward, and peace without national, economic, political, or other discrimination. If such a peace is to be realised among the peoples, we must do more than talk about peace. We must work for peace. The peoples of the world are weary of declarations of peace, under cover of which preparations are often made for a new war. The desire for peace has to be manifested by means of peaceful action.

Some delegates, like Mr. Klimov and Mr. Takov, have spoken about collaboration without discrimination, but at the same time pressure is being put upon the new Yugoslavia. We are completely blockaded, and economic and trading relations are broken off.

I think I shall express the opinion of all honest partisans of peace if I say that the struggle for peace must not be the monopoly of any individual, or of any country. Action for peace must be joined with the condemnation of all kinds of aggression, no matter what their source, and with the condemnation of the division of the world into spheres of interest, into blocs, as a means of imperialist strategy. Furthermore, peace action must be closely linked with the United Nations Organisation and with the principles of the Charter for collective security. Therefore, we are obliged to express our profound hope that the United Nations Organisation will succeed in maintaining the peace of the world.

Finally, in order to ensure a lasting and just peace, we must develop constructive economic and cultural relations between all peoples, especially through Co-operative Organisations by their mutual co-operative relations.

Mrs. M. I. Gorelovskaya, U.S.S.R.: Three years ago the Seventeenth Congress of the I.C.A. took a very important decision on peace, but in the Report of the Central Committee the question of peace is not studied as it should be, which proves that neither the Executive nor the Central Committee has given sufficient attention to this really vital question. The Congress at Prague decided, in spite of the very tense atmosphere and the fact that war preparations were in progress, to take this decision. We now have an even more tense atmosphere, but the peoples of the world do not want war but want to fight for a lasting peace. The noble ideal of struggling for peace has united millions of simple people in all parts of the world, without regard to their political opinions, and the movement of the Partisans of Peace has become one of the great movements of the world.

To-day, when the threat of war rages, the struggle for peace has become for all nations a necessity of the highest order. All progressive humanity has its eyes turned towards the struggle for a pact between the five Great Powers—the U.S.A., the U.S.S.R., the Chinese People's Republic, the United Kingdom, and France. A discussion between these five Great Powers in order to arrive at an agreement is one of the most important steps which could be undertaken to relax the international tension. An agreement between these Powers would make possible an agreement amongst the peoples, also an improvement in the living standards of the masses and the development of the economic freedom of all peoples. The peace pact would propose that means of production be planned for peaceful purposes and that measures be taken for a reasonable compromise, without which peaceful co-operation is impossible.

Thanks to the activity of the World Peace Congress, nearly half a billion men and women of various nationalities, political opinions, and religious beliefs have signed the Stockholm Peace Appeal, and I ask you whether, as co-operators, we can neglect this very important movement. I say we cannot, because world peace is the only condition which will make it possible to develop normal relations between the peoples, a normal economic life amongst the peoples, also normal cultural life and relations.

The I.C.A. and this Congress must support the demand for an agreement between the five Great Powers, must help to promote the re-establishment of normal relations between the peoples, and must fight in order that peace may be preserved.

Mrs. K. Stroble, Germany: The peoples of all nations desire peace, and this longing for peace should find expression at an International Co-operative Congress. But it is much more important to work for peace than to talk about it at such length. Each one of us in our own country can work for peace by trying to raise the standard of living of the workers and to adjust social differences. That will be much better than continuing to talk about peace and at the same time to repeat over and over again that preparations for war are proceeding in Western Germany. The people who live in the West are the best judges of that, and it would be important that we co-operators in all countries should invite the co-operators of the East European countries to visit us in order to convince them on the spot that we are doing far more for peace than for war, and that co-operators denounce all war preparations.

We Germans know, from the time of the nazi régime, that it is impossible to work for peace if there is not at the same time freedom of speech and of action. The forces for good in the world must have such faith, such strength, and such conviction that every man will be won over to them to work for peace, so that war will be impossible.

This cannot be achieved by words or by the passing of resolutions, but only by deeds. Each one of us in our own country must take our stand on the side of freedom and social justice, and we German co-operators earnestly hope that the co-operators all other countries will do everything in their power so that men and women shall be free to say and to do what they please. When that is achieved, we can be assured that peace will be established throughout the world.

Mr. A. P. Klimov, U.S.S.R.: The Declaration for International Co-operative Day is not, in our opinion, truly in conformity with the aims and duty of the International Co-operative Alliance. Moreover, the way in which the Declaration has been presented reduces its importance. The importance of International Co-operative Day is very great indeed. I have already said in the Executive that we must have a regular procedure and that the Declaration for International Co-operative Day must be approved by the Executive and not drawn up by the General Secretary.

The atmosphere in which we are working forces us to express our views on the contents of this Declaration, which should be of the greatest interest to all co-operators. We submitted the following proposals for inclusion in the Declaration: aid for the re-establishment of economic and commercial relations between all countries; an appeal for unity among Co-operative Movements and the broadening of the International Movement in the future; a demand for an active struggle for the maintenance of peace by all the means at our disposal; support for movements for a world peace agreement and for a fight against all war propaganda, and that governments should take action to make war propaganda a crime; a demand for the re-establishment of the normal activities of the United Nations, according to the principles of the Charter of the United Nations.

This is not a polemical question but an important question for the whole world. The Declaration which has been submitted to us mentions the importance of the International Co-operative Day, but it does not correspond to that importance.*

Mr. N. Thédin, Sweden: The problem of peace has been discussed at great length both in the Executive and the Central Committee of the I.C.A. and here in Congress. It is right that that should be so, as the work for peace is one of the main objects of the I.C.A., a peace based on justice, on freedom, and on voluntary co-operation. The I.C.A. is indeed a great peace organisation. The policy of the Soviet delegates and the delegates from the so-called people's democracies, however, has been to associate the I.C.A. with the propaganda and other activities of the so-called Partisans of Peace Movement. We have in our delegation opposed this, and we shall continue

* Mr. Klimov was referring to the Declaration for the Twenty-ninth International Co-operative Day (September, 1951).

to do so, because the title "Partisans of Peace" is just another example of the distortion of words with which we are so often confronted. Delegates from those countries talk about "democracy," but when we try to find the realities which lie behind the word we find that they very much resemble the state of affairs which we in the Western countries call dictatorship. They talk about "freedom" and "justice," but they have legislation which makes it possible to send people to so-called "corrective" labour camps without trial and without any possibility of defence.

They also talk about a peace pact between the Great Powers, but we have a world-wide peace pact already in the Charter of the United Nations, and perhaps I should remind those who are talking so much about peace that there is now going on a war of aggression against the United Nations. The Charter of one of the United Nations specialised agencies which is represented here begins with the words: "It is in the minds of men that war begins; therefore, it is in the minds of men that peace must be found." This is true, and, for that reason, the propaganda organisation which is called "Partisans of Peace" is not a peace organisation, because it is an organisation which tries to spread suspicion and hatred against the Western democracies; it calls the leaders of these countries "warmongers" and "paid agents of imperialists and capitalists and enemies of the people." It has been said that even co-operative leaders are imperialist agents.

Miss Tedesco said that we must look at the problem of peace in a realistic way. That is true. Peace, looked at realistically, is co-operation, co-operation against the common enemies of mankind—poverty, illiteracy, illness, and so on. The I.C.A. works for peace through the promotion of international collaboration between Co-operative Organisations which are free to collaborate, and by supporting the constructive work of the United Nations. The Eastern countries could make a great contribution to peace by collaborating in this constructive work, by giving us action instead of propaganda.

Mr. Klimov says that one of the objects of our policy now should be to restore normal trade relations between countries, but I remember that at Prague he was against the objects of the I.T.O., which was to be the United Nations organ for the development of trade relations between nations. If Mr. Klimov has changed his mind, and if his friends have changed their minds, I can only state that this is a change about which we have every reason to be happy; but we want to see action and not merely listen to words.

Mrs. R. Bortzoi, Roumania: In the Report of the Central Committee we see that the Alliance considers the question of peace theoretically rather than practically. The I.C.A. gives us many beautiful phrases, but has no practical programme for the implementation of the Peace Resolution. The important part which could be played by the I.C.A. would justify a more practical policy. The Alliance cannot neglect the forces which are now at work throughout the world, for if it did it would be, consciously or unconsciously, refusing to play any part of importance in the struggle against those who are preparing for a new war.

The delegation of "Centrocoop," representing the co-operators of Roumania, appeals to the Congress in favour of peace. We appeal to all co-operators to fight for peace. In our country the question of peace is a question for all our working people; we are all fighting for peace, and the peace appeal of the World Council has been signed by over eleven million citizens—workers, farmers, artists, writers, engineers, technicians, and so forth. Our country was one of the first to pass a law regarding the struggle for peace which makes propaganda for war a crime against humanity.

In 45 countries more than 336 million people have signed the appeal for peace. This shows the desire of people in all the countries of the world to fight for peace. This desire cannot be neglected by the Co-operative Movement, either by the National Organisations or by the International Movement. All countries have suffered from war, and the losses of co-operators are still being felt. We are fighting for peace because the tears in the eyes of mothers have not yet been wiped away. This wish for peace is shared by many millions of people in all countries.

Mr. P. Takov, Bulgaria: The governing body of the Central Co-operative Union of Bulgaria, which represents all kinds of Bulgarian co-operative organisations, shares the view that the main task of the Alliance in defining its future policy, and for the agenda of this Congress, is to decide on measures which will help to promote peace. Such measures are in accordance with the desires of millions of co-operators in all countries. The I.C.A. should not isolate itself from the enormous organised movements for peace which exist to-day, and which unite the working masses in all countries, in spite of any political or ideological differences which divide them. Tens of millions of conscious and active co-operators share these views on peace, and all the co-operative organisations which have been established since the war and the overthrow of fascism cannot but fear the threat which now exists of a new world war.

Knowing that all the members of the Co-operative Movement want peace, and an intensification of the struggle against monopolies and trusts, which advocate warmongering policies, the I.C.A. should conduct an energetic agitation against those who support the policy of a new war. Our responsibility is very great. We have to decide to support the most just and most important cause of all, the cause of peace. The Alliance must respect the wishes and the feelings of millions of co-operators who want peace, because peace is the only condition for their economic and cultural development and the only condition for a free and happy life. This is the time for the Alliance to make up its mind to join the World Peace Council, because there is no nobler cause than the struggle for peace.

The surest way to peace is solidarity between the different countries, and this is expressed by the world-wide movement for the signing of an appeal for a peace pact between the five Great Powers. In our country this appeal has been signed by more than five million people representing all classes of society, which are unaffected by religious or political differences. This enormous movement for peace which now exists throughout the world must be supported by the Alliance.

Close of the Second Session.

THIRD SESSION.

Tuesday, 25th September.

DISCUSSION ON THE REPORT OF THE CENTRAL COMMITTEE.

(continued).

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

Mr. G. Castagno, Lega Nazionale delle Cooperative, Italy: A large part of the Report of the Central Committee is devoted to the action undertaken by the I.C.A. during the last three years to expand its relations and those of the Co-operative Movement with U.N.O. and its various subsidiary bodies. The directive given to this action cannot on the whole be considered favourably by our delegation, and the representatives of the Lega on the Central Committee have on many occasions manifested their dissatisfaction. Moreover, the results of this action in the United Nations and its Economic and Social Council, judged according to the importance of the questions proposed by the I.C.A. and the validity of the solutions suggested and anticipated, have been practically nil. The Report notes the rejection of the Resolution on international control of world oil resources; the continual adjournment, without prospect of a solution, of the Resolution on the Promotion of Co-operation, in particular of proposed studies on Rural Co-operative Banks, on Assurance Co-operatives, and of the Memorandum on Co-operation and Housing; the meagre attention given to the opposition of the I.C.A. to the fight against the activities of monopolistic combines, and the memorandum on Co-operation and Full Employment.

But what is most serious, in our opinion, is the demonstration of the impotence and sterility of I.C.A. action in relation to U.N.O. contained in the statement that it has not been possible to submit the whole of the Prague Congress Resolution on Peace to the United Nations. This statement makes sadly clear the total lack of goodwill on the part of the responsible officials of the I.C.A., also their complete lack of conviction in the power of the resolution. That is the real origin of the weakness of their action, which should have been conducted in a much more energetic and persistent manner in order to bring the Prague Resolution to the attention of U.N.O. The direction of the I.C.A. is thus at fault concerning a precise undertaking at Prague, and has rendered void the unanimous vote of the Congress. This is the most important problem we have to face; the problem which has been and is closest to the hearts of co-operators all over the world: the defence of peace.

On the other hand, the direction of the I.C.A. has given prominence, by communications sent to affiliated Organisations, to collaboration with U.N.O. in promoting the war waged by the United Nations in Korea by sending help solely for the population of Southern Korea. A proposal on this subject was rejected by the Executive at Zurich in November, 1950, but was raised again by the Director following a formal invitation from UNESCO to join and support the action of the United Nations in Korea. In this instance the I.C.A. did not manifest the will to emphasise within U.N.O. its principles of brotherhood and peace, but only the will to carry out the orders of U.N.O.

We are, therefore, forced to observe: that the I.C.A., the only International Unitarian Organisation, has not conducted its action in U.N.O. in pursuit of a concrete aim by manifesting the powerful will for peace of co-operators all over the world, and by urging the men who are from time to time charged with responsibility in the Governments of their countries to seek agreement between all nations on the great problems which are the cause of wars; that the representative of the I.C.A. in the Economic and Social Council is not sufficiently qualified, that he lacks authority and prestige seeing that the various questions submitted to the Council have not been previously examined and decided by the Executive of the I.C.A., with the result that its delegates do not receive their mandate direct from the Executive; that the I.C.A. has not sought the added importance which its participation in U.N.O. would have by joint action with the Trade Union Organisations which collaborate in U.N.O. on the same basis as the I.C.A. In this respect, too, the direction of the I.C.A. has ignored a precise duty entrusted to it by the unanimous vote of the Prague Congress in approving the draft agreement with the W.F.T.U. On purely procedural pretexts, this agreement was never followed up and concluded. We regret this very much, and would emphasise that the lack of unity of action and brotherly understanding between Trade Union Organisations and the I.C.A. has greatly weakened the work of both Movements for the defence of the rights of the workers against the power of monopolies, against the methods of cartels, against the exploitation of men. We, therefore, demand that the agreement with the Trade Unions be reconsidered and that it be put into practice.

Mr. J. Voorhis, U.S.A.: The delegation from the U.S.A. has come many miles to this Congress for the purpose of trying to play its part in the advancement of true co-operation and true co-operative enterprise among the peoples of the world. We believed when we came here, and we believe it now, that it is possible for the I.C.A. to be an instrument for the advancement of true co-operative enterprise among the people and for the exchange of goods between the peoples of various nations.

Yesterday we remained silent. but we do not want there to be any misunderstanding about why we did so. We hoped by so doing to make a contribution towards getting on with the constructive work which we believe this Congress should do. It was evident to us, moreover, that the representatives of the genuine free co-operatives here were in no way deceived by what was being said by some speakers. We also believed that we should lay our major emphasis on constructive proposals which we might have to make in the field of co-operation itself, and that is what we shall do. We believe very earnestly in co-operation among the nations on the international level for the maintenance of peace. We believe in the United Nations, and we believe that it should be made stronger and a better instrument of peace. We believe that it should be in a position to prevent the breaking of peace. We wish to see the building up of the economic strength of people put into their own hands, so that they can build freely by voluntary action. We believe that the best hope of economic salvation for the people and of international peace lies along those lines.

Mr. I. S. Krayushin, U.S.S.R.: We regret that the Economic and Social Council of the United Nations not only does not want to see a more active part played by the non-governmental organisations which have consultative status, but tries to limit their activity and limit their rights. This is proved by many things. For example, the I.C.A. resolution on world oil resources was sent to the Economic and Social Council for presentation to its Ninth Session. Consideration of the resolution was postponed from the Ninth to the Tenth Session, then to the Twelfth Session, held at Santiago in February, 1951, when the British delegation's proposal that this question should not be retained on the agenda of that Session was accepted.

A request to discuss the rights of trade unions and a resolution were proposed, but the majority voted against, and so this question was not discussed. At the same Session a report by the Secretary-General of the United Nations on the world economic situation in 1948 and 1949 was discussed, in which he proposed to the Council that the budget should be limited. The World Federation of Trade Unions made a proposal for the further development of peaceful production, and the Soviet delegation presented a motion in the same sense, in order to develop trade between countries, to lower prices, and to develop peaceful and social industries. But the American and British majority rejected the Soviet proposal, and a resolution was passed which had been prepared by the Secretariat and the majority, but in which nothing was said about the very difficult position of the working masses.

Many more similar examples could be given, but I think these facts speak for themselves and show the limitations of the Economic and Social Council. Our representatives must struggle against this tendency and against the fact that the needs and proposals of our international movement are always neglected; in collaboration with representatives of other democratic non-governmental organisations, they must defend our point of view at the Council and demand that those questions which are of interest to us be discussed, in particular the defence of economic and social rights, better conditions of living, the ending of unemployment.

Mr. W. Serwy, Belgium: The report of the Central Committee gives an account of the relations between the I.C.A. and the United Nations, particularly those resulting from the exercise of its status as a Category "A" Non-Governmental Organisation with the Economic and Social Council. It will be remembered that at the time of the signing of the United Nations Charter a declaration was made appealing to the spirit of co-operation within the United Nations and its auxiliaries. At that time the hearts of co-operators were full of hope, but after six years we have to admit that this spirit has not shown itself very active, particularly in the understanding of problems submitted by the I.C.A. to the Economic and Social Council.

Two experiences in different fields are proof of this. The first concerns the problem of world oil resources, which at the Zurich Congress in 1946 was the subject of a Resolution, but, after a vain attempt to have it discussed by the Economic and Social Council, the Resolution was amended by the Prague Congress in 1948. In spite of this amendment we have not been successful in bringing the question before the Council. After five years this state of affairs was made the subject of a Resolution of protest by the

Central Committee, which we hope the Congress will endorse, for, in our opinion, it must serve as a serious warning to the Economic and Social Council.

The second experience is even more serious, not only because of the problem itself, but because it implies a revision of the procedure for possible interventions on the part of Non-Governmental Organisations. If I have properly understood the report, the task of the Agenda Committee is to sift the questions to be submitted to the Economic and Social Council. But now, perhaps as a result of abuse by certain Organisations, a revision of the procedure has been effected and to-day the Agenda Committee has the right to refuse to accept a question submitted by an Organisation such as the I.C.A., even without right of appeal. If this procedure is adopted, it means sterilising the right of all Non-Governmental Organisations having Category "A" status to submit questions to the Economic and Social Council.

We must draw our conclusions from these experiences. On the one hand, the need for a firm attitude on the part of the representatives of the I.C.A. with regard to respect for the rights originally enjoyed by Non-Governmental Organisations having Category "A" status; on the other hand, the need of truly co-operative action, methodical and persevering, by the Co-operative Unions of all countries with their respective Governments, in order that Government delegates to ECOSOC may be informed of the aims of the I.C.A. and that they may be filled with the co-operative spirit.

I hope that the Congress may appreciate the need for an urgent appeal to the National Unions to imbue their Governmental delegations in the Economic and Social Council with the spirit which animates the aims pursued by the Alliance.

Dr. M. Voutchkovitch, Yugoslavia: The I.C.A. quickly established direct relations with the United Nations Organisation, and this collaboration has certainly had some positive results, but I think that I express the conviction of all delegates when I say that all the conditions for developing and strengthening this collaboration exist. With a view to contributing, as far as possible and in a concrete way, towards this development, I would suggest the following as the basis and main points of a programme: that it is the duty of every State to maintain peaceful and friendly relations with all other States; to oppose all aggression aiming at spreading hatred of other nations, at attacking their honour and dignity, or at slandering them; to abstain from any form of intervention in the internal or external affairs of other countries;

That all political conflicts between nations should be settled peacefully through the United Nations, and therefore we are against the signing of a peace pact between the five Great Powers, which would be outside the United Nations Organisation;

That to assure that the results of scientific research are used in the interests of peace, and that the I.C.A. may realise this desire as a result of its collaboration with U.N.O., the I.C.A., and the National Co-operative Organisations should study and follow the activities of the United Nations, so as to decide which problems the I.C.A. could most usefully help to solve;

That affiliated Co-operative Organisations should inform their respective Governments of the views of the I.C.A. on all questions which have been discussed by or are to come before the organs of the United Nations;

That the National Co-operative Organisations and the I.C.A. should give publicity to the decisions of the United Nations and keep their members faithfully informed about its political, economic, and social activities;

That the United Nations Organisation or its organs should recommend member Governments to rely upon National Co-operative Organisations for implementing decisions in the economic and social spheres as one of the best ways of mobilising the masses, as well as a powerful factor in the economic development of every country;

That member Governments of countries which have no co-operative legislation, or have legislation which does not favour the development of Co-operation, should be advised to introduce legislation which will assure the progressive development of the different forms of co-operative activity appropriate to the particular conditions in each country, to the advantage of the peasants, farmers, and workers;

That governments members of U.N.O. whose countries are suffering from a housing crisis and are backward from the point of view of sanitation and health, should be recommended to promote the development of Housing and Health Co-operatives.

Finally, the I.C.A. should be prepared to contribute to the promotion of co-operation by an exchange of experts between different countries, so that co-operation may be studied in countries where it is progressive and developed, with a view to gaining experience.

Mr. O. Novak, Czechoslovakia: We cannot be satisfied with this section of the Report. In our opinion, those who have represented the I.C.A. in the United Nations have not acted correctly, and the I.C.A. has done nothing to promote the carrying out of those objectives for which the United Nations was established.

The Seventeenth Congress of the I.C.A. adopted a resolution which drew attention to the fact that many raw materials, especially oil, were controlled by monopolies, and asked the United Nations to make a study of this problem as a basis for reform. The British delegates voted in favour of the resolution, which was subsequently submitted for inclusion on the agenda of the Tenth Session of the Economic and Social Council. Its consideration was, however, postponed and it eventually came before the Twelfth Session in February, 1951. On that occasion, as we have been told by the former Director of the I.C.A., Mr. Odhe, the I.C.A. resolution was struck off the Council Agenda on the proposal of the British delegation. We would have expected the representative of the British Government, in which the British Co-operative Party is represented, to support a resolution for which more than ten million British co-operators had voted at our International Congress. It is obvious, however, that on the question of oil more powerful interests than those of British co-operators were the deciding factor and the British delegate at the Economic and Social Council preferred to be guided by the powerful oil magnates, who were unwilling to allow a commission of enquiry to be set up by the United Nations.

This is an example of who really is responsible for decisions in the United Nations, and shows that the opinion of the largest mass organisation, representing a hundred million co-operators, has to give way before the oil magnates and monopolists. After the second world war, millions of people all over the world looked with confidence and hope towards the United Nations for a lasting world peace and understanding between the nations. But the United Nations, which was to have been a bulwark for the maintenance of peace, has become an instrument of war and a means of unleashing a new world war. The aggressive group in the United Nations is controlled by American imperialism, which is served by the North Atlantic Pact and the twenty Latin-American countries. The representatives of these countries in the United Nations decide on the issue of war and peace. They have pushed through in the United Nations the disgraceful decision condemning the Chinese people's republic as an aggressor, refusing it membership of the United Nations.

How is it possible to claim that the U.S.A., which has occupied the Chinese island of Formosa and has invaded Korea up to the Chinese frontier, is the innocent party, while China, who is defending her frontiers and trying to win back Formosa, is called the aggressor? The United Nations is being changed by the imperialists into the instrument of an aggressive war, and is ceasing to be a world organisation of nations with equal rights. It is thus beginning to follow the inglorious course of the League of Nations. The Government of the U.S.A. has misused the flag of the United Nations to mask its war aims and those of the imperialists for world domination.

The I.C.A. has not uttered one word in condemnation of this policy of the United Nations; it has not called upon its member organisations to protest against what has been happening; it has not appealed to the United Nations to revert to the fulfilment of its fundamental task, the maintenance of lasting world peace, nor has it supported the proposals submitted to the United Nations for the reduction of armaments, for the prohibition of warmongering, and against the misuse of the United Nations for carrying out the policy of a new war. For all these reasons I propose, on behalf of the Czechoslovak delegation, that the Congress should express its regret that the Executive and Central Committee have not raised their voices against the treacherous attack on Korea under the flag of the United Nations, and have not given effective support to those in the United Nations, particularly the representatives of the Soviet Union, who have submitted proposals for the prohibition of warmongering, for the prohibition of atomic weapons and other weapons of mass elimination, for the prohibition of rearmament in Germany and Japan, etc. I also propose that the Congress shall charge the new Executive and Central Committee to ensure by all possible means that the United Nations shall fulfil its important mission of securing a lasting peace.

Mr. J. R. Cluck, U.S.A.: There is one small service which we from the West could render to our friends who have been speaking from Russia and her satellite countries: at least we could sign affidavits to the effect that each of them followed the text not only to the letter but to the comma, the full-stop, and the exclamation mark all the way through! Moreover, each text followed the same theme. We feel grateful that there were differences of voice, however, and even of gesture.

It seems to us that nothing will be accomplished here, except waste of time, unless we get down to the business of discussing from a constructive standpoint some of the more important world problems. To our mind, one of these problems is that of making adequate plans and preparations for the fair distribution of the world's surpluses—surplus foodstuffs and commodities generally. We recognise that there is a tremendous barrier between the various countries, between those countries which have a so-called "hard currency" and much in the way of surplus, and those which have a "soft currency" and little with which effectively to buy.

As an example of the kind of technique which has been followed up to now by the United Nations in the way of making a constructive proposal, at the Fifth Session of the F.A.O. studies were submitted representing the results of an examination of this problem made by some of the leading economists of the world. The proposal was made that a world clearing-house for surplus food be set up as one means towards making a start and towards surmounting national barriers. Unfortunately, those recommendations were not adopted, but I can say confidently, after a two-day check on this matter made at Washington before taking this trip to Europe, that there are very competent men in high places in the Government of the United States who feel that those proposals were sound and that proposals on the same or similar lines will one day be adopted.

It seems to me that the I.C.A. can take hold of that, and collaborate with the International Federation of Agricultural Producers and other organisations representing the interests of the producers and consumers of the world in submitting positive proposals by which this acute problem may be solved. What has been said with regard to food applies, even in times of war preparation, to the production and distribution of commodities and goods of all kinds in the industrial as well as in the agricultural sphere. Do we want a repetition of the tremendous paradox of the depression days, when on the one hand things were destroyed and production curtailed, and on the other millions of people had to do without those very things which were destroyed? Now is the time to prepare and plan for the avoidance of that situation; it is now that we should have committees working actively in collaboration with kindred organisations.

What has been said is not offered by way of criticism of what has been done by this organisation or by others. As a matter of fact, we agree fully with the Report on United Nations affairs, as well as the other sections of the Central Committee Report. What I have said is merely to emphasise this problem as being one of the most important to which the I.C.A. should devote its efforts. If we can make it work amongst the Western nations, perhaps our friends from the dictatorships will persuade their Governments to permit their peoples to listen to the radio. It is too much to expect any free discussion of such a thing, except perhaps in the quiet of their own homes, but we hope that it will take place there. At least, however, we can have a constructive plan and make it work between those people who are willing and able to try it, and as the years go by it may be made available to all.

Mr. Ch.-H. Barbier, Switzerland: The Report before us states that, with regard to collaboration between the International Co-operative Alliance and the United Nations, we have a fairly encouraging and satisfactory picture of what has been attempted and achieved. I am far from sharing the opinion of all the critics who have spoken on the subject, much of whose criticism seems exaggerated, but this assessment of our attempts, our action, and our achievements seems to be much too optimistic. The Swiss delegation fully shares the point of view expressed by our friend Mr. Serwy, and we also have some serious reservations to make.

It is clear that we cannot reproach the International Co-operative Alliance or the United Nations for not having included in their collaboration the study of problems connected specifically with our activity. We are not represented in the United Nations in order to consider without distinction all the problems concerning the United Nations. We are there to represent the interests of the International Co-operative Alliance in all matters upon which it has the right to express its views. And here I should like us to ask the Alliance to adopt a very firm policy. But in order to carry out a policy we must first of all have a policy, and I am afraid that until now we have not had a sufficiently firm policy. We in the Swiss delegation are counting on our new Director to shed more light on this matter.

Mr. Serwy has raised the question of the resolution on oil and the way in which ECOSOC refused to consider the point of view of the Alliance, even to include on its Agenda the proposal which the I.C.A. submitted. The resolution on this question, voted subsequently and unanimously by the Central Committee, is quoted in the Report, and in its last paragraph it expresses the hope that in the future ECOSOC will give more careful consideration to the opinion concerning an important economic problem formulated by a Non-Governmental Organisation invited to take part in the tasks of the U.N.O. under the terms of its fundamental Charter.

We should like the United Nations to realise that we expect, most definitely, that the opinion, not merely of a hundred million co-operators affiliated to the Alliance, but of a hundred million co-operative families, representing 400-500 million persons, shall receive due consideration. We do not expect the United Nations to say "yes" and "amen" to every proposal which we submit, but we do expect it to examine any valid proposal made by the International Co-operative Alliance.

That is an important question, not only for the Alliance but equally for the United Nations. Its representative told us yesterday how much the United Nations needs the support of every individual and every important group, and I am sure that he was right. If the United Nations Organisation takes the risk of disassociating itself from the most profound and active public opinion, it will endanger itself. We do not want that to happen, neither for its own sake nor for that of the International Co-operative Alliance, which has not only the duty but the right to make its voice heard.

The Director: My reply to the discussion can, I think, be reasonably brief, because to a great extent those who have taken part have replied to one another. I should particularly like to emphasize the point made by

Mr. Barbier, that much of the criticism directed against the action of the Alliance during the last three years in its relations with United Nations organisations is misconceived. It is the business of the authorities of the Alliance, to whom the rules entrust the presentation of its views to the United Nations, to base their action upon the decisions, resolutions, and guidance given by higher authorities. It is not their business to base their action upon the particular policy, and still less the catchwords, of any Government or group of Governments. That, I think, fairly well disposes of a good deal of the criticism which has been levelled here this morning by representatives of Italy, the Soviet Union, and Czechoslovakia.

I should like, however, to emphasise that, during the period reviewed in the Report, the United Nations organisation itself has been in a process of becoming; in other words, it is still constructing its working and administrative machinery. That is a factor which has undoubtedly increased the difficulty for the Alliance to make its weight felt.

I am not here this morning to defend the United Nations, or the particular part of it with which we have mostly to deal, the Economic and Social Council. We have our own complaints against the Economic and Social Council, and I think I may say that there are already in existence two draft resolutions, to be considered by the Congress Committee to-day, which bear upon this subject. The first renews the protest of the Central Committee against the manner in which the Economic and Social Council dealt with the resolution on world oil resources, and will in fact ask the Congress to endorse that protest. The other one is more constructive and covers a point raised by Mr. Voutchkovitch, of Yugoslavia, namely, that of increased collaboration in co-operative matters between the Alliance and two bodies in particular which belong to the United Nations, the I.L.O. and the F.A.O.

I should like also to refer to one practical difficulty which we encounter in mobilising the support of the National Organisations. It is not that they are unwilling or that they disregard what is being done, but the fact is that the composition of many United Nations Committees and Commissions, based as it is on the representation of particular Governments, means that only a minority of the members of a given Commission may represent countries in which the Co-operative Movement is strong. Take the Economic and Social Council itself, which consists of 17 governmental representatives. Many of them represent countries in which the Co-operative Movement is as yet only in its initial stages, and in which co-operators, however keen they may be, have no particularly powerful influence. That is a matter which we hope will remedy itself as the Movement grows, but it is a difficulty with which we have to contend at the present time.

I should also like to point out that, while the United Nations organisation has itself been building up its machinery, your Executive has not been idle in arranging for the better representation of the Alliance, both at Lake Success and at Geneva. We now have a regular representation in each place. Everything which goes on is carefully watched and reported to the Secretariat, and it is possible to secure an intervention when that is necessary. I would point out again, however, as is pointed out in the introduction to the Report, that the position, simply because of the development of the

United Nations, is changing. The time for big pronouncements of principle is perhaps passing, and certainly the time for particular practical projects in this country, and that, at a given time for a given period, marks the phase into which we are now entering.

For that reason it will be necessary at times for the Director and the Secretariat to take their lives in their hands and to act, perhaps, before it is possible to consult the whole Executive in the manner which our Italian friends have demanded. The conditions do not always permit us to do that, because we often get only a few days' notice before a given meeting of what is going to be on the agenda at that meeting. In that case the Secretariat has to be trusted to have intelligence and conscience enough to be guided implicitly by the resolutions of the Congress and of the Central Committee and the Executive. That is the real position, and I think that if you will take that into account you will realise that the work reported in the present Report to Congress represents a very considerable advance.

Relations with other Non-Governmental Organisations.

Dr. L. Malfettani, Confederazione Cooperativa Italiana: We are now almost at the end of the discussion on the Report of the Central Committee, and I would say that what the I.C.A. has achieved since its last Congress may be regarded as very satisfactory. During the three years steps have been taken to establish relations with other International Non-Governmental Organisations and their directors, with a view to furthering the aims of the Co-operative Movement. The delegates of the Confederazione Cooperativa are the first to realise the value of collaboration with these Organisations and we only regret that we have not been able to contribute more to this action. While we are represented here in the Congress of the I.C.A., which is the supreme international authority of the Co-operative Movement, we appreciate that there are certain special groups of Co-operatives which do not belong to the Alliance, but to other Organisations in which we also collaborate. It is desirable that these groups of Co-operatives should come to regard the Alliance as the highest Co-operative Organisation to which they should belong.

To give an example from the sphere of Agricultural Co-operation, there exists not only the International Federation of Agricultural Producers, which is referred to in the Report of the Central Committee, but also the European Confederation of Agriculture, whose Congress is now taking place in Italy, and in which problems directly relating to Agricultural Co-operation are discussed by a special Commission. One may ask the reason for this multiplication of activity. In my opinion, it is due to the fact that Agricultural Co-operation is a specialised sector of the economy in which there are special interests. This fact should not be overlooked so far as the internal organs of the I.C.A. are concerned and its relations with other international organisations. In order to avoid multiplication of activity we must be prepared to study all problems and the technical requirements of the various forms of co-operative activity. This being so, we have observed with satisfaction the establishment of Auxiliary Committees by the I.C.A., and so far as possible we have taken part in the Auxiliary Conferences which preceded this Congress.

In our opinion the specialised activities of Co-operation are of great importance to the development of the I.C.A., and co-ordination is necessary, not only on the horizontal but on the vertical plane. This will involve a study of the part played by the Central Committee and by Congress. On the basis of their own experience the representatives of the Confederazione Cooperativa are confident that action of this kind will be extremely valuable and will create possibilities of better relationships and understanding between the International Organisations. In conclusion, I would say that I am heartily in agreement with the Report presented by the Central Committee.

Mr. V. M. Volosov, U.S.S.R.: We realise fully the importance of the struggle for the interests of the working masses, and we understand the necessity in this struggle for common action, also for the Co-operative Movement and the Trade Union Movement to work together. The Seventeenth Congress adopted a resolution on the subject of collaboration between the I.C.A. and the World Federation of Trade Unions, but in practice neither the Executive nor the Central Committee has done anything about this resolution. Certain members of the Executive and Central Committee have made proposals regarding the necessity of new measures for the implementation of this resolution, but these proposals have never been accepted. We have a right, therefore, to accuse the Executive and the Central Committee of having neglected the resolution.

With regard to the aims of the W.F.T.U. and whether they conform to the aims of the Alliance, I should like to say that in the struggle for the rights of the workers the W.F.T.U. has the aims of increasing wages, the application of measures against unemployment and aid to the unemployed, the maintenance of the rights of trade unions, the control of capitalist means of production, the struggle for the economic rights of the working people, and the struggle for peace. In 1949 and 1950 the W.F.T.U. brought forward in the Economic and Social Council important questions such as the abolition of discrimination, the problem of unemployment, and the rights of trade unions in different countries. These questions have not been solved by the United Nations Organisation, but the fact that they have been put to the Economic and Social Council proves the authority of the W.F.T.U., its influence with the working masses, and its struggle against capitalism.

The trade unions of the different countries have set up thousands of committees for the struggle for peace, and these cover all the working masses, without discrimination of occupation, religious or political opinions. Telegrams have been sent to the United Nations in the name of the workers supporting all the measures which were advocated at the second congress of the Partisans of Peace, including telegrams from the workers of Germany and France protesting against the rearmament of Germany.

The W.F.T.U. approved the appeal of the first world peace congress in favour of a peace pact between the five Great Powers. Its aims are, therefore, in conformity with what should be the aims of the I.C.A. We consider, therefore, that collaboration is necessary between the Alliance and all the trade unions in the world, and this should be expressed by the development

of common action. The I.C.A. and all the national organisations should regard it as a duty to develop solidarity and mutual help between working people in all countries, to strengthen the rights of the workers and for peace.

Obituary.

The President: The last paragraph in the Report refers to distinguished co-operators who have been closely associated with the work of the Alliance and who have passed away since Congress last met. They are: Louis de Brouckère, of Belgium; Karl Renner, of Austria; George S. Woods, of Great Britain, who was with us at the meeting of the Central Committee at Oslo. There is another name to be added, that of J. H. H. Codd, of Great Britain, also a former member of the Central Committee.

Much could be said about each of these men. They played a large part in the political and co-operative life of their own country. They were distinguished colleagues who devoted their ability to the service of co-operation, and I think that we should do well to remember them just as co-operators, as men who devoted a great part of their lives to the Movement to which we belong. I will ask the Congress to stand in silence for a few moments.

The delegates stood in silence as a token of respect.

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. List of Organisations affiliated to the I.C.A.**
- V. Subscriptions received for the years 1948, 1949, and 1950.**
- VI. Accounts of the I.C.A. for the years 1948, 1949, and 1950.**

Mr. H. Lemaire: The Assurance Committee, of which I have the honour to be Secretary, considers it desirable to supplement its written report to Congress in view of the important concrete results which have been obtained. Before the war our Committee comprised 16 Societies, all European, but unfortunately, at the end of hostilities, many of them had disappeared, chiefly on account of the nationalisation carried out in the Eastern countries, and at Zurich in 1946 representatives of only seven Societies came to our meeting. A new Executive Committee was appointed, which resolutely began its work, and to-day we are pleased to say that we have 25 member Societies representing 15 countries in four continents, a success for which we had not dared to hope.

Since its creation our Committee has studied many technical questions which are, of course, of only slight interest to the I.C.A. Congress. But all along it has paid careful attention to two problems which always seemed of capital importance. These problems are nationalisation of insurance and international co-operative reassurance, and I should like to say something about them.

Co-operation is fighting against the capitalist organisation of society. It is seeking to substitute the idea of service for the spirit of gain. It is to be remarked that nationalisation of insurance is advocated most insistently in the very countries where the interests of the workers seem to be best defended, whether by political, trade union, or co-operative action. As technicians it was our duty to study this problem, and our Committee has approached it from the standpoint of the interest of the consumer—that is to say, of the insured person. The conclusions of the Committee are quite positive, and on three occasions it has unanimously adopted resolutions declaring that, under those conditions of freedom which we believe are essential to the happiness of mankind, the co-operative method proves itself superior to nationalisation in the sphere of private insurance.

But the Assurance Committee has not been content with merely making experiments, drawing conclusions, and passing resolutions. It is now on the way to achieving definite results.

The Directors of our Co-operative Insurance Societies have, by conviction, an anti-capitalist conception of the organisation of the society of the future. But while they are fighting against the present economic structure, they are obliged to have business relations with the private concerns they are fighting, relations made necessary by insurance methods. This is the case, in particular, in the field of reinsurance. When they are asked to cover a considerable risk they are obliged to find other insurers who will share the risk accepted so that the consequences of even a total loss may be borne. In the past they have approached companies specialising in reinsurance which are essentially capitalist.

Our Committee believed, however, that one of its primary tasks was to eliminate reinsurance with these companies by establishing reciprocal relations between Co-operative Insurance Societies. In the first place a partial solution was sought by establishing direct reinsurance relations between those Societies most attracted by the idea, but since the Congress at Prague we have made considerable progress in this field.

In 1949 the Executive, aided by a Committee of Experts, set up an International Reinsurance Office, the object of which is to make a total estimate of the reinsurance needed by the affiliated Societies and to divide it among the same members according to a plan which affords satisfaction to all parties. This method is already being applied, and Co-operative Insurance Societies in England, Sweden, Belgium, Iceland, Australia, India, Israel, and Canada have become enthusiastic participants. The Office has relations with other Co-operative Insurance Societies, notably in Norway, Denmark, Austria, Holland, and Ceylon, with a view to extending the plan, and new reinsurance exchanges can confidently be expected.

It can be said that the activity of the International Co-operative Reinsurance Office is noteworthy, in spite of the fact that it was only recently constituted, but obviously the results so far obtained, however encouraging, are only the first step towards our total emancipation from capitalist reinsurance. When this object has been achieved we shall not only have increased the financial strength of our Societies, but we shall also have won a brilliant moral victory.

Reply to the Discussion.

The President: There are only a few points raised in the discussion on the Central Committee's Report to which I have to reply. The large issue of Membership has been settled by a vote, while some other points have been disposed of in the course of the discussion.

The first question with which I have to deal is that raised by Mr. Taylor on Publications, when he made a very strong plea for more support, particularly for the *Review of International Co-operation*. On behalf of the Executive, I want to emphasize that plea. At the present time we believe that our publications, particularly the *Review of International Co-operation* and *Cartel*, are worthy of support for what they are, but unfortunately the circulation is so small that the *Review*, in particular, is a great financial burden on the funds of the Alliance. That burden can be removed if you will do your utmost to increase the circulation. We are not asking for an increased circulation for something which is not worth while, because we believe that the *Review* is worth while.

Another question has been referred to from two or three quarters and was emphasized by the last speaker from the U.S.S.R.—it concerns the relations of the I.C.A. with the W.F.T.U. It is only right that the Congress should know exactly where the Committees stand with regard to this matter. Our colleague from the U.S.S.R. complained strongly that we are not working with the W.F.T.U., and he drew attention to the fact that at the Prague Congress the Central Committee reported an agreement which had been made with the W.F.T.U. which would lead to closer association. He is perfectly correct with regard to that agreement, but the position to-day is that the W.F.T.U. which existed in 1948 no longer exists. Those who have been following events in the trade union world will know full well that there has been a break away from the old W.F.T.U. and that there is now a second organisation—the International Federation of Free Trade Unions.

In those circumstances, the Committees have decided, for the present, not to enter into relations with either of the organisations. We have no contact with the free trade union international, and we certainly have no contact and do not intend to have any contact, unless Congress so instructs us, with the World Federation of Trade Unions as it is at present composed and under its present control.

With those remarks I close the discussion on the Report and ask those who are in favour of its acceptance to indicate in the usual way.

The Report was accepted by a show of hands.

RESOLUTIONS ON THE REPORT OF THE CENTRAL COMMITTEE.

The President: We now come to the resolutions on the Report, the first of which is submitted by Kooperativa Förbundet, Sweden, and will be moved by Mr. Albin Johansson.

The Rationalisation of Commodity Distribution.

The economic situation in a number of countries has, more and more pronouncedly since the middle of 1950, shown signs of a progressive inflation with the accompanying repercussions upon the living standard of the mass of the people. In this situation the Co-operative Movement has the extremely important task of striving to keep the effects of these repercussions down to a minimum. The pre-requisites for this lie not least in the field of commodity distribution. In those countries where the Consumers' Co-operative Movement is sufficiently developed, and is free to conduct its activities on equal terms with other forms of enterprise, the Movement has for a long time shown itself to be one of the most active factors contributing to a reduction of costs and to a healthy and effective competition in the field of commodity distribution.

The importance of competition has been seen especially in situations such as that which has now arisen, where Government emergency measures to combat inflation have frequently proved to lead to rigidity in price-fixing. Such a rigidity in itself operates against the reduction of costs and favours the rise and development of trade associations and similar combinations within private trade, which, when the Government regulations in the particular field are eventually removed, will retard the reintroduction of free competition and work against its effects on prices, effective purchasing power and the cost of living.

Under such circumstances, it is an imperative duty that a continuous and strenuous effort be made by the Consumers' Movement to bring down costs in all stages of distribution. The fruits of such methodical efforts by the Co-operative Movement, so far as its own activity is concerned, would not only benefit the co-operative member in the form of lower prices, but would also cause private trade to concentrate upon increasing its efficiency in the important section of commodity distribution in the national economy.

The Consumers' Co-operative Movement, because of its nature as an ideologically united economic movement with a known, uniform and firmly-established selling market has, in many countries, introduced large-scale commodity distribution with its incitements to more efficient organisation of retailing and wholesaling, and has thus been the source of considerable saving of distribution costs. The importance of this contribution has emerged against the background of the rapid expansion of the distributive activities in their entirety which, in many respects, has borne the mark of over-expansion with the accompanying squandering of man-power and other costs. This has found expression in an unnecessary increase in the number of trade channels and of middle-men; an obvious extravagance in advertising and sales promotion; and, in general, a markedly oversized distributive

machinery. This whole development is in sharp contrast to the increased rationalisation which, during the same period, has taken place within industry and the other spheres of production. Statistics show that in Western Europe, U.S.A., and the other comparable countries between one-fifth and one-sixth of the population is engaged in commodity distribution and transports, with a tendency for this proportion to increase.

Business economists have given special prominence to the fact that, despite the sporadic progress made, technical development within retail trade, as well as in the other stages of distribution from the producer to the consumer, lags, on the whole, far behind that which for many decades has taken place within industry and agriculture, and which is continually promoted by methodical technical and scientific research and experimental work. Within commodity distribution the help of machinery has only been adopted to a very limited extent; investigation, research, and the promotion of inventions lag far behind such efforts in industry. The utilisation of machinery within the commodity distribution is largely confined to machines for supervision and office work, where, however, they do not always bring about a reduction in the amount of work entailed. To a very great extent the technical handling of internal transport, storage, and sale of commodities still takes place according to established practice and to a large degree with the help of manual labour. This is particularly the case with regard to retailing, where, in respect of ordinary household necessities, by far the largest part of the cost of distribution falls. To a too high degree the techniques and organisation of the retail trade are still bound up with old-established tradition and habitual conceptions. Very few attempts have as yet been made to stimulate concentrated and planned investigation into these fields, calculated to bring the development in harmony with the progress of modern working methods and machine technique and to enable commodity distribution to avail itself of these advantages with the same revolutionary effects on costs as has been the case within industry and many other fields of commodity production.

The Consumers' Co-operative Movement in all countries and especially in those where it has been able to act as a precursor in the use of more efficient forms of organisation in the field of distribution of goods with a view to establishing, by methodical co-ordination of the commercial activities of the separate sections of the movement, a coherent system of its own has, over the passage of years, collected a wealth of practical experience. This is of the greatest value for an investigation which aims, by means of a thoroughly planned use of modern developments in the field of business organisation and applied machine techniques, at continuing and speeding up the pioneer work already carried out by the Co-operative Movement for reducing costs and increasing efficiency within commodity distribution. Such an investigation intended to lead practical proposals to be utilised in the distributive activities of the Consumer Co-operative Movements in the different countries, according to their varying structure and stage of development, emerges as an urgent need especially in the light of the present inflationary development where statutory economic controls offer a more or less imminent menace to the incentives towards rationalisation of commodity distribution inherent in free competition between the various forms of enterprise in this field and in free price-fixing. It is equally motivated, in all phases of the world situation, by the need of

catching up with the great lead which industry, agriculture, and the rest of commodity production has over commodity distribution in general.

It seems natural that such an investigation should come within the scope of the activities of the International Co-operative Alliance. If the experience gained during many years by Consumers' Co-operative Movements and their enterprises in the various stages of commodity distribution were thoroughly discussed by expert representatives of the local Societies and Wholesale Organisations in the different countries, the experiments made and the ideas which emerged could be used to the advantage of the whole International Co-operative Movement more rapidly than if they had to be disseminated by means of casual contacts between the different countries.

A Committee, perhaps called "The International Co-operative Committee for the Rationalisation of Commodity Distribution" ought, therefore, to be set up, the composition and working methods of which might be on the following lines:

It would be practical, if the Co-operative Wholesale Society in each country nominated two members of the Committee (contact men) one from the Wholesale Society itself, the other from the retail side of the Movement. It is desirable that as contact men should be nominated persons with a practical disposition who have proved that they possess a sense for promoting efficiency in their respective fields of activity. The contact men would probably agree that those with special experience of retail distribution should give their special attention to this field, while those with special knowledge of wholesaling should engage in discussing internal questions related to wholesale activity such as accountancy, stock control, and similar questions.

During the work of the Committee it would probably be found practical that the contact men should study the conditions for transactions between the National Co-operative Central Organisations which they represent and submit proposals to this end to the Committee. It would be natural, therefore, that only such Organisations which are allowed to import or export goods should nominate contact men. It would serve no purpose for representatives to be nominated by Organisations which, in practice, do not maintain connections or conduct transactions with their counterparts in other countries.

Because of its urgent importance the work of the Committee should not be conducted in the way customary with such committees, that is that the question be studied against its theoretical background and a report containing final recommendations presented after the period of time necessary for the accomplishment of the whole of its task, which might run into years, has elapsed. Instead, the various questions which constitute the investigation should be dealt with and, in so far as results are attained and practical proposals formulated, these should be brought to the knowledge of the Organisations.

This proposal implies that the Eighteenth Congress of the I.C.A. should request the Co-operative Wholesale Societies which are allowed to conduct foreign trade to nominate representatives on the lines suggested to the proposed "International Co-operative Committee for the Rationalisation of Commodity Distribution." Where the local Co-operative Societies are also affiliated to another Central Organisation than the Wholesale Society

such central organisation should be requested to choose the special representative to deal with the problem of retail distribution.

The requests for the nomination of the contact men should be sent out by the General Secretary of the Alliance. When the nominations have been received by the Secretariat, the President of the Alliance should call the contact men together in a plenary meeting. At this meeting the various members of the Committee should be invited to make proposals on the problems which are to become the subject of study. These proposals should be placed on the Agenda for the first meeting to enable the Committee to proceed immediately to the planning and suitable division of its work—that is, to decide which problems should be dealt with first as well as to the drawing up of an overall working plan.

It should be taken for granted that the Organisations which take part in the work of the Committee would be kept informed of its progress so that, if they so desire, they might make use of the practical ideas which come forward. Brief reports of the questions handled by the Committee should, therefore, be sent out continuously to the Organisations concerned, but should only contain those observations and proposals which are acceptable to the working groups within the committee dealing with the respective problems. When the Committee has accomplished its task—a suitable time-limit for this might be fixed by Congress—a summary report ought to be made, but the greatest importance should be placed not upon this document, but upon the continuous contact between the Committee and the Organisations.

It is anticipated that each Organisation represented on the Committee would pay the costs of its delegation, together with a share in the overhead costs of the plenary meetings.

As already stated, it can be pre-supposed that the Committee's work would be divided into various working assignments to be dealt with concurrently. It is quite possible that, in order to carry out their assignments, the different groups of contact men would consider it necessary to hold meetings, or carry out their studies and investigations on the spot with a Wholesale Society in a particular country, or with a particular local Co-operative Society. It might probably be arranged that the overhead costs for such meetings, etc., should be met by the Organisations visited.

Kooperativa Förbundet, therefore, submits the following motion to the Eighteenth Congress of the I.C.A.:—

That Congress instructs the President and General Secretary of the International Co-operative Alliance to send a request to all Co-operative Wholesale Societies to nominate two representatives, one representing wholesale activity and the other retail distribution, to sit on an International Co-operative Committee for the Rationalisation of Commodity Distribution; also to invite representative central organisations for local co-operative societies to choose the representatives on the retailing side in countries where the system of central organisation of the co-operative movement so requires;

That Congress instructs the President of the International Co-operative Alliance, during the latter part of 1951, to call the elected contact men to the first meeting in order to constitute the Committee and plan its work.

Mr. A. Johansson, Sweden: One of the essentials for fruitful collaboration of the kind envisaged in this Resolution is that the Organisations which participate should be Central Co-operative Organisations which are in a position to import and export commodities freely. It would be useless to have Organisations which would not be able to carry out the solutions which might be agreed upon. Another essential is that time should not be wasted in lengthy discussions and that meetings of the Committee shall only be convened when necessary. At the first meeting, which is to be convened by the President of the I.C.A., a Committee should be appointed to direct the work and assure practical results.

The problems to be solved are of a technical nature and do not lend themselves to parliamentary debates. What is necessary is to find active forces within the Co-operative Movement and to use them to the best advantage. I am sure we shall be able to do that if we divide the work suitably. It might be useful for the members of the Committee to suggest problems for investigation. For example, it might be possible for the Committee to submit proposals for reducing the costs of distribution without in any way prejudicing control. I hope the work will not be organised in the usual manner of Committee work, but in a practical manner according to the requirements of the problem under investigation. The results of the Committee's work will be placed at the disposal of the affiliated Organisations concerned, but I would add that legal questions concerning patents may affect the possibility, as well as the moment, of making the results of a particular study known.

Mr. S. Nilssen, Norway: We have spent a great deal of time discussing the Report of the Central Committee, and we have used a great many words, very often empty words. Delegates from all over the world have come here at considerable cost in time and money, but I fear that the results are very poor in comparison with the cost. The resolution presented by Kooperativa Förbundet, however, is a really practical endeavour to arrive at positive results, and I feel it my duty, on behalf of the Norwegian delegation, to give this motion my most hearty support. We need a strong Committee, and this Committee needs an efficient and constructive head. I therefore suggest that we accept this resolution, and at the same time I propose that Mr. Albin Johansson be elected Chairman of this Committee. If that is done I feel sure that we shall see fine fruits from the work of this Committee at our next Congress.

Mr. R. G. Gosling, Great Britain: The British delegation support the proposal made by our Swedish colleagues and adopt in general terms the arguments set out in the introductory paragraphs. There is one error in the arguments with which I do not propose to trouble you now, but, subject to a reservation on that point, which can be discussed when the Committee is formed, we would say that fundamentally a very practical and a very worth-while proposal is before the Congress.

Whenever we have the opportunity of travelling abroad and studying the methods of our fellow-co-operators we find in use varied methods in wholesaling and in retail distribution, and it must be a matter of universal regret that there is no existing machinery whereby we can mutually discuss

the technical methods which are in use and come to conclusions as to the best method which can be universally adopted. One of the fundamental reasons, I suggest, which gives rise to the need for this Committee to-day is the almost universal lack of liquid capital and the necessity for all of us to be able to use our existing resources and machinery for our future developments for a number of years.

We view this proposal experimentally. We do not consider that it necessarily involves the establishment of a committee, though the word "committee" is used. It is a proposal to establish a system whereby we can examine these proposals of mutual interest, and it is to be hoped that from an examination of our present problems, our present structure, and our present methods new ideas will emerge which will be of benefit to all.

A question is asked as to a time limit for the work of this Committee. I suggest that it is urgently necessary that it should begin its work, and that it need not go on for evermore as a permanent auxiliary of the I.C.A., but that certainly at the next Congress a review of the work done should be presented for the information of all the affiliated bodies.

Mr. J. Jalava, Finland: This resolution is in conformity with the views held by the Organisation which I have the honour to represent and with the efforts of the Co-operative Movement to reduce distribution costs. Investigations carried out in various countries would seem to indicate that distribution costs represent about half of the ultimate price paid by the consumer, and they have constantly shown a tendency proportionately to rise. In Finland the costs of distribution have always been amongst the lowest in the world, which means that the possibilities of cutting them are smaller than in other countries.

It is obvious that if it is possible to reduce distribution costs the benefits will, in the first place, accrue to the consumer. It is the duty of the Co-operative Movement to examine all the different problems connected with distribution and its simplification and the lowering of costs. There is no doubt that in various countries processes and methods of work which contribute towards cutting costs are known, while remaining unknown in other countries. Experiences must be exchanged, therefore, and jointly exploited. The Organisation which I represent warmly supports this resolution, and will be glad to support the proposed International Co-operative Rationalisation Committee.

Mr. M. Brot, France: It is with great satisfaction that the French Co-operative Movement has learned of the proposal of our friend Johansson. For a long time it has seemed to us that the discussions and the work of the Alliance were limited to questions of a very general nature, which had no close contact with everyday life and the everyday needs of our Societies in different countries. We have several times suggested that a method applied particularly in France should be instituted. We have Commissions for the exchange of experience; they are not meetings at which general questions are examined, but at which one particular question is examined, first by a small body—this is absolutely necessary for a serious study—and then by groups of men who are not always the same but are chosen from among the most qualified, the most experienced, and those who can suggest

constructive solutions. This idea seems to be much the same as that which our friend Johansson has in mind for examining the very specific, very specialised, and very important problem which he has outlined.

I think it is for the Executive to take the initiative in setting up this Committee, but I also think that after this very precise and specialised problem has been examined by a few competent men, chosen from appropriate countries, other problems might be examined by a similar procedure and by other competent men. Thus we shall give a real impression to our National Co-operative Movements that we do not only juggle with phrases and words at our Congresses, but that the Alliance can also bring forward constructive solutions.

Mr. J. Voorhis, U.S.A.: On behalf of the delegation from the U.S.A., I wish most earnestly to support the motion moved by Mr. Johansson, whom we have learned through the years to honour as one of the great and outstanding leaders of world co-operation. We believe it is clear that Co-operatives in our own country, as well as others, have a duty to take the lead, on the lines of this resolution, in reducing distribution costs to the consumer and making possible a better return to the primary producer. We believe that pooling of experience such as this resolution envisages would be invaluable to Co-operative Organisations in many countries.

Mr. J. J. A. Charbo, Holland: On behalf of the Dutch delegation, I welcome the proposals made by our Swedish friends. It is not necessary to add much to the arguments put forward by Kooperativa Förbundet, but I should like to call the attention of delegates to the fact that it is not only in the interest of the consumer to make all possible efforts to promote efficiency in wholesale and retail trade, but it is also of the utmost interest to producers, and in the first place, to agricultural producers. That, to the Dutch delegation, is another reason in favour of the resolution.

We shall be very happy to make a modest contribution to the work of the special Committee, and we hope that the implementation of this resolution, which I trust will be accepted, will greatly contribute to the practical results of this Congress, in which too much time has been used for purposes which we have not come here to discuss. For such purposes as this, however, we are very glad to have such a Congress and to implement its resolutions.

Mr. F. Klein, Germany: It is part of the task of every practical co-operator to examine methods and means which can contribute to the better distribution of commodities to consumers. We can claim that Consumer Societies in all countries are very up-to-date undertakings, and in Germany we are always trying to find the best methods. While theory is useful in some instances, practice is the decisive factor. This year the third Fellowship Week between the Austrian, Swiss, and German Movements has been organised, at which practical problems were dealt with in a very detailed manner with good results. The proposal now before Congress is an important one. It leaves theory and deals with practical problems. All the experiences which will be gained should be of value and utilised in the interests of all. The motion emphasises that lengthy discussions must be avoided and that the work must be entrusted to the experts.

The German delegation heartily supports the motion, which it hopes Congress will accept so that the Committee can be sent up without delay. In the name of the German delegation I would like to support the desire already expressed by Mr. Nilssen that Mr. Albin Johansson, the author of the motion, shall be Chairman of the Committee.

Dr. A. Vukovich, Austria: From considerations similar to those set out by Kooperativa Förbundet, the Austrian Central Union "Konsumverband" submitted a proposal to the I.C.A. for the practical development of collaboration between the member Organisations, but as the idea was submitted in a more detailed manner by Kooperativa Förbundet, we withdraw our proposal. We, therefore, heartily support the Swedish motion, but, in our opinion, it should be supplemented by constant and regular activity on the part of the Secretariat. Purely oral exchange of experiences is not sufficient. There should also be investigations by means of questionnaires with regard to such problems as: the distribution of commodities by Consumers' Societies; staff management and the productivity of staff in grocery shops, including self-service shops; the margin of leakage; wages, etc. The results of these investigations should be studied by the Committee which is to be set up, and the conclusions drawn from the experiences in the various countries should be made available to all Organisations.

What is possible in a particular sphere could be applied to other spheres where conditions are less uniform. I am thinking, for instance, of the legal position of Consumers' Societies in the different countries. These conditions vary very considerably and we might be able to draw useful lessons from better knowledge of them.

I repeat, what in my opinion is necessary is a permanent and regular activity which should be developed as the circumstances permit. The Committee, proposed in the Swedish motion, should be established as recommended but the Secretariat should be entrusted with statistical enquiries which the Committee would study. From time to time new fields of enquiry should be integrated into this activity, and in this way real and practical co-operative collaboration on an international basis would result which would benefit the individual Movements. If this can be achieved, the 18th Congress will mark a real step forward in international co-operative collaboration.

Mr. L. Hietanen, Finland: This resolution applies to a sector in the sphere of activities of the I.C.A. which has so far been fairly quiet, but it involves, in my opinion, one of the most important tasks of the International Co-operative Movement in the near future. There must be something which can be done through rationalisation where there are only fifty or sixty inhabitants to a retail shop, as there are in some cases in some countries, and where one-sixth or even one-fifth of the population is engaged in distribution and transport. I am quite sure that in several National Co-operative Movements there are experiences of great value and time-saving methods already in use which are not known in other Movements, but which would be serviceable everywhere. It is our duty to bring experiences of this kind to the knowledge of all the National Movements.

One of the most important items of the co-operative rationalisation programme should be mercantile intercourse between Co-operative Wholesale Societies in different countries. This is a *terra incognita* which has probably considerable possibilities in the field of international co-operative trade. For instance, some National Movements have a productive capacity exceeding the consumption in their own country in certain products, while at the same time the Co-operative Wholesale Societies in other countries are buying the same products from private sources and through private middlemen. If they were to buy the co-operative products, the utilisation of the whole capacity of the factories of the producing Wholesale Societies would lower the costs of co-operative production.

There are at present many kinds of restrictions which interfere with trade between nations, and the same difficulties apply to international co-operative trade. There are, however, possibilities of increasing and expediting co-operative trade between different countries, even in present circumstances. As a proof of that I would mention the successful efforts of the Scandinavian Co-operative Wholesale Society. Even during this last decade of difficulties and restrictions this Wholesale Society has rendered its members most valuable services. I thank the Swedish K.F., and Mr. Albin Johansson in particular, for bringing this subject up for discussion at this Congress, and I beg to support the motion.

Mr. G. Benoist, France: I should like to say, on behalf of the National Federation of Agricultural Co-operation of France, that we are wholly in agreement with the proposals submitted by our Swedish colleagues. We attach a great deal of importance to the problem which has been raised in connection with the distribution of agricultural products and of the materials necessary for agriculture. I, therefore, ask that the Agricultural Co-operative Movement, which has developed so much in the world, shall be consulted, because the aims which we pursue are the same.

The President: I will now ask Mr. Johansson to reply to the discussion.

Mr. A. Johansson: Tack! (Thank you).

After having taken a vote by show of hands—

The President declared: The resolution is carried with, as far as I can see, only one dissident.

The next resolution before Congress is the one submitted by the Italian Lega Nazionale delle Cooperative, which will be moved by Mr. Tolino.

Resolution submitted by Lega Nazionale delle Cooperative, Italy.

The Co-operators of the World, assembled at the Eighteenth Congress of the International Co-operative Alliance:—

Reaffirm the validity of the Principles of the Rochdale Pioneers to which every Co-operative, having for its aim the amelioration and the spiritual and material emancipation of humanity, must conform;

Recall that, in their effort during more than a century of struggle to create a society of free and equal men, the working classes have won new forms of life and have given a new structure to the organisation of the economy of their countries—far-reaching transformations of which Co-operation cannot fail to feel the influence;

Affirm that, in the spirit of the Rochdale Principles, the essential characteristics which distinguish Co-operative Societies from any other form of private society must be expressed by the predominance of "man" over "capital," by the participation and appreciation of the importance of working-consumers, as well as by the economic and social betterment of their members and the operation of enterprises based on mutual aid;

Declare that membership of the I.C.A. must be decided in the light of the historical evolution which has taken place during the last century, and that all decisions concerning the eligibility of an Organisation must be taken regardless of the influence of judgments or opinions concerning the political structure of the country to which the Organisation belongs;

Decide that all applications for membership and all requests for changed status of membership must be decided on the basis of the principles declared above;

Affirm, in conclusion, their desire that the I.C.A. (according to the decision of the Congress at Hamburg in 1910) shall be the supreme and united centre of the Co-operative Organisations of the whole world, not only in order to facilitate their economic relations, but above all to reconcile the divergencies and rivalries between countries by the mutual understanding of the peoples in order to attain—through the agreement and solidarity of all—the great and noble ideal of preparing humanity for universal peace.

Mr. G. Tolino, Lega Nazionale delle Cooperative, Italy: I left the Congress yesterday with a troubled mind, and I think that some other delegates had the same feelings as I. Co-operation means collaboration, as was said by the representative of this noble and famous city who welcomed us. A vote on such a burning question as that which was before us yesterday should not be taken in the heat of discussion. Every vote is a judgment, and should be given in serenity of spirit, not the heat of battle. The question which you have to decide and the Resolution which I now move is a matter for the conscience of every delegate. Yesterday we heard many accusations. We seemed to see only enemies discussing a problem at the basis of which there is a common phenomenon—Co-operation and the unity of co-operators. I ask myself what is the cause of the world, of human life, and human labour being sharply divided into blocs. Is it true that an iron curtain has fallen between co-operators? That I do not believe. We in the Lega Nazionale delle Cooperative, and I hope in this respect to interpret the belief of the members of the other Italian Co-operative Organisation, believe in the destiny of mankind; we believe that, however deep the present abyss may become, it will sooner or later be filled, not by brute force but by the force of reason, of freedom, which is the foundation of the western civilisation in which I believe.

It is not without significance that my friends of the Lega Nazionale have entrusted to me, a social democrat, the honour and responsibility of submitting this motion and defending it in this Congress. I repeat, I am a social democrat, and I always fight for democracy and freedom.

The fundamental idea which we have in bringing forward this Resolution is that we may rise above our divisions and point out our common aims as co-operators. It is in this spirit of conciliation that our motion is submitted and it is in this spirit that I speak to you. Yesterday we heard cries of political passion. To-day we want to return to the social and human aspects of the problem.

I recall to the representatives of the British Co-operative Movement that their working class, in resisting the fascist offensive of the nazis, forged the arms to defend our civilisation, and that they saved it a second time when the Labour Party last year showed their spirit of conciliation to the world. I would remind Mr. Brot that it is not a question of fascism or nazism, because both destroyed the Co-operative Movement, but that, as co-operators, we find ourselves to-day in a situation which is quite different. I would remind him, too, that my communist friends in the Lega Nazionale have, for the most part, known fascist prisons, and carry in their hearts a hatred of fascist and nazi persecution. Above all, I would remind him that they fought for liberty and may fight again for liberty. That depends on us, rather than upon them. To our Swiss friends I would recall the clarity, the light which is thrown by some words which I read in one of their co-operative journals in February, 1949: "We must not, like Gribouille, jump into the water to get out of the rain, or become intolerant in order to fight intolerance."

Now let us return to the motion. We must defend the liberty of Co-operation, and we shall defend it in our own country in order to defend it in others. War is not a thing to be desired. But there is another question which is even more fundamental. How can we defend the liberty of man without losing it? Can Co-operation alone defend this liberty? Remember the monopolies. Can nationalisation alone deal with them, or should the two go together? I do not like the dictatorship of man, but I like even less the dictatorship of money. We must, therefore, define the characteristics of Co-operation in the present phase of economy, and we must ask again the question put by Mr. Peddie in his Paper to the Prague Congress: Are nationalisation and Co-operation contradictory philosophies? For me they are not. Confronted with nationalisation, Co-operation has too often taken up a defensive position. I think, on the contrary, as is said by Mr. Barbier in his Paper to this Congress, that Co-operation must re-examine its doctrine. The co-operative idea springs from the working class, as a factor of social justice, as a means of bringing about the social transformation, but often it has lost sight of its origin. Too often more attention is paid to the business enterprise than to the association for human solidarity. The reactions to this tendency are very strong. Mr. Papyart, writing about Belgian Co-operation, has said: "Co-operation is the prolonging of trade union action." Mr. Kraus, of Czechoslovakia, used almost the same words at Prague, when he said: "Co-operative Societies must form the economic basis of the political and trade union Movements." So you see there are no insuperable barriers between ideas.

Co-operation is a universal idea, but the forms which it takes are influenced by the historic situation in the particular country. What is possible in rich highly industrialised countries is hardly possible in others which are poor and under-developed. We know the fatal law by which the modern technique of capitalism, based on profit-making, makes the rich richer and the poor poorer. In these circumstances, should Co-operation give up the struggle? I do not think so, but it may have to have recourse to the public authorities. In Italy, for example, we have the guarantee of the State for the subvention of Co-operative Societies; also, under the recent agrarian reform law, the public authorities encourage the formation of Service Co-operatives for farmers. There exist also instances of co-operative participation in public utility concerns, even in large concerns. Under certain laws the State can, without previous judgment by a magistrate, dissolve a Co-operative Society, and this applies in countries of Western Europe. Does this mean the end of freedom for Co-operation? Not at all. There have been interventions on the part of the State in the sphere of personal freedom, in education, public assistance, marriage, vaccination, etc.; but no one regards this as an attack on freedom and democracy, which are defended elsewhere.

The economic problems facing us are colossal, and if we want to solve them in the interests of the weakest we must unite our forces with other forces; we must revise our ideas on the relation of Co-operation to the public authorities; above all, we must be conscious of our working-class origin.

Mr. J. M. Davidson, Great Britain: I want, on behalf of the British delegation, to oppose the motion submitted by the Lega Nazionale. In reality, what we have before us is a further expression from Lega Nazionale on the question of the clarification of Article 8 of the Rules, on Eligibility. So far as this motion is concerned, we could accept to a great extent the affirmations which it contains. The first of these says that the Congress reaffirms "the validity of the Principles of the Rochdale Pioneers to which every Co-operative, having for its aim the amelioration and the spiritual and material emancipation of humanity, must conform." The second affirmation affirms "the predominance of 'man' over 'capital'."

We then come to the declaration, and we can see quite clearly that this is not in conformity at all with the affirmations because in the declaration we get this statement, that "all decisions concerning the eligibility of an Organisation must be taken regardless of the influence of judgments or opinions concerning the political structure of the country to which the Organisation belongs."

It is just on that point that we cannot accept the proposition put forward by the Lega Nazionale. We believe that the crushing of the human personality is a crime before the judgment seat of time, and that at present we have to realise there are forces in the ideological struggle in the world that crush the human personality of mankind.

I have a matter to which I should like to refer here which relates to Poland. Remember, the Lega Nazionale and all the countries of the East want Poland to be in the I.C.A.. We were told, in a document which was sent to us, that Poland has a free democracy. We know of a young lady

from Scotland who married a Pole and went to Warsaw. Her father is lying dangerously ill in Fife, but the Polish authorities refuse to let her leave the country to visit her dying father. In the democracies of the West we would not treat a criminal in that way; if anyone in his family was seriously ill, a criminal would be let out of prison to visit him. That, however, does not take place in the free people's democracies. We in Scotland do not allow anyone to interfere with the rights of anyone born in Scotland. As I said to the Polish delegation at Oslo, we regret very much that they have sunk to such depths that they refuse to open their doors to allow someone to visit a dying father. That could be taken as applying to nearly all the other countries of the same type.

I am not an intolerant person. I should like to see human beings coming together; I recognise that until mankind comes together there is no great scope or hope for the human family at all. We must, however, break down the iron curtain barriers and allow people to go freely from one country to another. We must allow the individual to express freely his political or economic opinions, and he must have the right to his own spiritual point of view; he must not be subject to the opinions of the State and be put in prison if he does not agree with them. I would ask Congress not to accept this resolution but to stand by the definition adopted in Paris as representing essential conditions for membership of the I.C.A.

Mr. S. F. Malikov, U.S.S.R.: The resolution which is before us from the Lega Nazionale has been justified by what our Italian colleague has said. It expresses what is necessary for the development of the Co-operative Movement in the future. The arguments which are given show that the development of our Movement lies in our own hands; that the unity of all the National Movements and a broad membership of the I.C.A. are a condition of their development.

I regard the arguments which have been used against the Italian resolution as quite unfounded. This story of the Scottish girl who married a Pole has been brought before us before. Why did the speaker not mention the fact that in the U.S.A. whole organisations are prohibited from meeting, and why are people who have visited the people's democracies and who tell the truth about these countries persecuted and punished? This question of the Scottish girl may be quoted again and again at our meetings, but the development of the Co-operative Movement and the strengthening of our common cause is a vital problem. Article 8 of our Rules is not in contradiction with the resolution which is before the Congress, but, on the contrary, provides a basis for all co-operative organisations to become equal members of the I.C.A. I have in mind, for instance, the Polish, East German, and Bulgarian organisations, and I refer also to the Byelo-Russian and Ukrainian organisations with a membership of about 20 million. I therefore support the resolution very energetically.

Mr. P. Berretta, Confederazione Cooperativa Italiana: I should like to refer to the hope expressed by the mover of the resolution that the Italian delegation to which I belong, that of the C.C.I., would support it. I am bound to say that I cannot agree with the principal point of the motion. I have read in the Report of the Central Committee the general principles "without which any genuine co-operative activity is impossible." The

principles to which I refer are, briefly, that Co-operative Organisations must be open to everybody without political, religious, or racial discrimination; that they must be democratic at all levels; and that they must be free and independent of the State and public authorities generally, as well as of private organisations and political parties. Those principles, which sound to me clear enough and of which I wholeheartedly approve, cannot be denied or have their practical adoption rendered doubtful by the acceptance of any statement which might convey a shadow of doubt as to their real meaning.

With regard to the motion presented by the Lega Nazionale delle Cooperative, the fourth paragraph is so worded as to lead to the possibility of some doubt about the application of the general principles to which I have referred. In my opinion, if this fourth paragraph were adopted by the Congress it would be liable to give rise to great confusion in the practical application of these general principles. While on the whole I am able to accept the motion, I am very conscious of the need in the first place to reaffirm the general principles of co-operation in the form in which they have been drawn up by the Executive, and, secondly, to reject the fourth paragraph of the motion presented by the Lega Nazionale.

Before I conclude, I want to say that my proposal is not directed against any particular group, but is intended to avoid any doubt as to the practical meaning of those principles on which the Co-operative Movement is founded.

Close of Third Session.

FOURTH SESSION.

Tuesday Afternoon.

RESOLUTIONS ON THE REPORT OF THE CENTRAL COMMITTEE (*continued*).

Resolution submitted by Lega Nazionale delle Cooperative (*continued*).

Mr. J. J. A. Charbo, Holland: With regard to the resolution of Lega Nazionale, it is the opinion of the Dutch delegation that, although it seems that many things could be said in favour of it, not all the comments would be favourable. Mr. Davidson has already paid some attention to what he calls the affirmations in the resolution, and I think that, to a large extent, he was prepared to agree with the various summings up contained in these affirmations; but there is one word in the third paragraph of the resolution which I think is characteristic of the general idea and meaning of the resolution as a whole. I refer to the very last word of the third paragraph, the word "aid." The resolution refers to "mutual aid," but in this respect the wording of our Italian friends is not quite the same as that contained in the Rules of the I.C.A., where in the second paragraph of Article 1 reference is made to "a co-operative system organised in the interests of the whole community and based upon mutual self-help." I think there is some difference between "mutual aid" and "mutual self-help." "Aid" may be a measure to be taken in a State where there is a despotism and slavery, but "self-help" always is and cannot be other than a system of freedom, of independence, and of autonomous self-government. If this word "aid" in the Italian text were replaced by the word "self-help," then the various conclusions reached by the Lega Nazionale could not be accepted, as they would not be logical conclusions to this idea of self-help. This idea of mutual self-help is also expressed in the conclusions reached by the Policy Sub-Committee, which have been accepted by the Executive and the Central Committee. In the opinion of the Dutch delegation there appears to be a fundamental difference between the aim of our Italian friends and the aim of the Alliance as laid down in our rules, and it would be impossible for us to vote in favour of the resolution.

Mr. M. Brot, France: I fear that we have not greatly profited from the lesson given to us this morning by our friend Johansson, who, in his reply, showed us how to be brief.

In the Resolution before us I find, like other speakers, that it contains some excellent things. But does it serve any useful purpose to go on repeating that we are faithful to the principles of Rochdale, that we put the human factor before the capital factor? These are commonplaces for us which it is surely unnecessary to repeat. Therefore I do not think we can retain all the excellent parts of the Resolution submitted by our Italian friends, because we have repeated them too often. But then, what remains? There remain two paragraphs in which we are asked to go back once again on the conditions of membership. But that is settled by the decision taken yesterday.

Therefore I ask first that it be placed on record that the question raised in these two paragraphs is settled; secondly, that, for the rest, although the Resolution expresses the feelings of us all, it is unnecessary to reaffirm them.

Mr. E. Machin, Great Britain: I must make it clear at the outset that I speak only for myself, and I may not even be speaking for the delegate from my Society who accompanies me here. The reasons which bring me to the rostrum are two. First of all, I am dissatisfied with the statement made on behalf of the British delegation by Mr. Davidson. It seems to me that if these Congresses take place for the purpose of improving international relationships and international understanding, then the speech made by Mr. Davidson, like the speech of a Norwegian delegate yesterday, lead directly to the opposite; they do not tend to increase good international understanding, but to destroy it. In what are probably halting and badly-chosen phrases, I want it to be known that at least one British delegate does not share the views expressed from this rostrum this morning.

The paragraph in the resolution which seems to be most disturbing to the Congress is that which begins with the word "Declare." I want to point out to the British delegation, and to ask them to realise, that in changing economic circumstances the position of the British Co-operative Movement may have to be very different five or ten years hence from what it is to-day. At the moment, by the very pressure of its economic circumstances, it is driven and has been driven into a closer and closer alliance with the trade union movement and with the working-class political movement. At the Edinburgh Congress a year or two ago this relationship seemed to be so close that we had to recommend a certain policy to our affiliated organisations for the purpose of helping the British political working-class movement. It is true that no legal force was brought to bear upon the Co-operative Movement for the purpose of recommending that policy, but is it to be argued here this morning that legal force is greater than moral force?

I should, therefore, like to point out, at least to the British delegates, that changing economic circumstances in our own country may be such that we shall be requested to alter our methods. It is because of the realism of that view, and because of what I believe to be the facts, that I make this statement on my own behalf.

Mr. I. S. Krayushin, U.S.S.R.: The Soviet delegation support very strongly the resolution put before us by the Lega Nazionale. We consider that this resolution should be accepted by the Congress, and that there is no reason whatever to reject it. Some speakers have said that these principles are already expressed in the decisions of the Central Committee, but, if that is so, why do you object to this resolution? If these principles are already accepted, let us simply confirm them by passing this resolution.

Some delegates consider it absolutely necessary to accept a resolution of this kind. The Soviet co-operators have proved by their activity their wish for unity; nevertheless, we have been accused of talking a great deal about unity and not doing anything. That is not true. We want action, and we want action in all the countries of the world. Has any member of the Soviet delegation expressed any view against other countries? I consider, on the contrary, that hatred and calumny, such as that expressed

by Dr. Weber and others here, should not be allowed in a Congress such as this, where an attitude of mutual goodwill is the only possible way to solve our problems.

As for the attitude of Mr. Davidson, does this explain anything about how the Co-operative Movement in different countries is being treated? This story of the Polish girl, which we have been hearing on and off for about two years now, does not explain anything. You have heard what has been said about the resolution adopted at the Seventeenth Congress on World Oil Resources. We are now told that the authorities have said that this matter has to be re-examined, but I do not think that this is acceptable. Are we the slaves of some kind of authority which takes a decision of this kind after three years? That is what Mr. Davidson seems to think about the procedure which should be followed. The attitude which has been adopted is very much against the wishes of all young people, who do not want to be the raw material for a new war and who have expressed their wishes at the Festival of Berlin. Why should we not defend their point of view?

Let me come back to the question of what is true democracy in an Alliance such as our own. It is to accept all members with equal rights, and therefore we insist that the Italian resolution be accepted in order to obtain unity between all co-operators.

Mr. R. Southern, Great Britain: In some circumstances persistence can be admired, but when it comes to wasting the time of the delegates here, persistence is to be deplored. In this resolution submitted by the Lega Nazionale we are asked to decide again the very question which we decided yesterday. This resolution, which is worded in a rather curious way, in fact deals with exactly the same point which we decided yesterday, namely, the principles which should be applied in considering applications for membership. The principles laid down by the Executive and approved by the Central Committee were endorsed by a large majority yesterday in the Congress, and here we have the self-same question raised again.

There may be a temptation to regard this resolution as good in parts. Five paragraphs of it are mere reiteration of popular co-operative sentiments and outlook, but there is one paragraph which contains the whole essence of the proposal, and that is the paragraph which contains the declaration that membership of the I.C.A. must be decided irrespective of the influence of judgments on political systems. That is the kernel of the whole proposal.

We are not concerned in the I.C.A. with particular political systems, and it does not matter if the U.S.A. system differs from that of Great Britain or France or the U.S.S.R. The political system is for determination by the people in each country. What we are concerned with is the effect of certain political systems on free co-operation. We are desirous of discerning the difference between the essentially co-operative and the pseudo-co-operative, and we must look at the effects of political systems on co-operative principles and practice.

We desire basically to ensure that a recognised movement is based on full freedom of association. We want to see that the control of the movement is in the hands of its members and that it is not controlled by any

outside agency. We want to be sure that the appointments of its leaders and officials are not made by a political party. In other words, we want to ensure that the movements associated in the I.C.A. are genuinely democratic in their structure. When the essentially democratic feature is taken away by a particular political constitution, we must have regard to that constitution and the effect which it has on the particular co-operative movement. For those reasons, I ask Congress to reject the whole of this resolution just as decisively as it approved the statement of principles.

I regret that one of the British delegates is out of step with his colleagues. Anyone presuming to command a co-operative army might easily find himself walking along one street with the whole army walking along another, but in this case there is only one member of our delegation, Mr. Machin, who is out of step with the remainder. He is quite entitled to his independent point of view, but I submit that he has completely missed the point of this resolution. It may be that the British Co-operative Movement in future may be concerned with questions of state interference and state control, but hitherto we have resisted any possibility of such encroachments. We shall persist in that policy. Should we fail, we should have to ask ourselves whether the British Co-operative Movement was genuinely co-operative. That day has not yet come, and I do not think that it will ever come. We shall continue to strive for independence, and as long as we do that we shall be co-operative in character; but once independence is lost we could no longer claim that we were really co-operative. This resolution touches on this very point, and I ask the Congress to reject it.

Mr. G. Tolino, Lega Nazionale delle Cooperative, Italy: For me it is not simply a question of the eligibility of Poland or of other countries, nor of repeating commonplaces, but of knowing what are the characteristics of Co-operation in this phase of economic evolution. In a capitalist economy the position will be altogether different from a non-capitalist economy, but the political problem has no relevance here. We want all systems of Co-operation to be represented in the Alliance, so that discussion and comparison between the different systems may be possible. In this way we are sure that, sooner or later, the best system will prevail. The Alliance refuses to make this experiment, but for us the problem remains on our conscience, as I am sure it does on yours. I beg you to vote for the motion of the Lega Nazionale delle Cooperative.

The President: We will now take a vote on the resolution.

The resolution was defeated by a majority of 253, the voting being: For the resolution, 354; against the resolution, 607.

The President: Before proceeding to the other resolutions on the Report, I have an announcement to make on behalf of the Congress Committee.

The Congress Committee have received some resolutions from the U.S.S.R., one group of which deal with the refusal of membership to Poland, Eastern Germany, Hungary, and Albania. The majority of the Committee take the view that this question was settled yesterday by the vote on the membership section of the Report of the Central Committee. Therefore, the new resolutions cannot be regarded as emergency resolutions, and will

not be circulated. But I am prepared to allow the delegate of the U.S.S.R., on behalf of the minority of the Committee, to put the position to you, after which I shall immediately take a vote on whether you are prepared to admit these resolutions or not.

The Soviet delegation also put forward resolutions which, if accepted, would allow different Soviet Republics to join the I.C.A. The resolutions had particular reference to the movements of Ukraine and Byelo-Russia. I ruled that they constitute, in effect, applications for membership, which must go through the procedure laid down in the rules and first be examined by the Executive.

Mr. I. S. Khokhlov, U.S.S.R.: Protests have been made against the decisions of the Executive and Central Committee by the Polish, East German, Hungarian, and Albanian co-operative movements, as well as by the Roumanian organisation on the question of whether its membership should be individual or collective. There has also been an expression of opinion about the membership of the Ukrainian and Byelo-Russian movements. With regard to the Ukrainian and Byelo-Russian movements, we agree with the ruling of the President that we have to follow the normal procedure, but so far as the other applications for membership are concerned, we consider that Congress must express its view upon them, either to accept them or otherwise.

The President: I ask Congress to decide by a show of hands whether there is agreement with the view of the majority of the Congress Committee that the question of the membership of the Polish, East German, Hungarian, and Albanian Organisations has already been decided and should not be raised again.

After the vote, **The President** declared: The view of the majority of the Congress Committee is supported by the majority of the delegates.

The President: The next business is the resolution on International Co-operative Trading Relations, sent in by The Co-operative League of the U.S.A., which will be moved by Mr. Voorhis.

Resolution on International Co-operative Trading Relations.

Whereas the history of the world is replete with instances where understanding and peaceful relations between various peoples have been developed on the basis of mutually advantageous economic and trading relationships;

Whereas there is widespread economic need now existing in the world;

Whereas one of the outstanding economic problems of mankind is that of continuously developing problems resulting from an imbalance in international trade settlements;

Whereas a basic cause for this situation is that most international trade is carried on for the purpose of exacting profit from the purchasing nation for the supposed benefit of the selling nation;

Whereas trade between Co-operative Organisations has the different and much more constructive purpose of meeting the needs of people on a cost basis through the payment of patronage refunds across international lines;

Whereas the carrying on of trade between Co-operative Organisations would largely correct imbalances in trade settlements and put international trade on a much better economic basis;

Therefore be it resolved that all possible effort and constructive measures should be taken by the International Co-operative Alliance and its constituent members towards increasing the flow of trade between the Co-operatives of various nations and towards the development of further Organisations similar to the International Co-operative Petroleum Association and towards an expansion of the business of that Association.

Mr. J. Voorhis, U.S.A.: The purpose of this resolution is obvious. We believe that it is potentially within the power of the Co-operatives, by increasing the flow of commerce between Co-operative Organisations in the various nations, to accomplish two or three basic and important purposes. In the first place, we believe that in so far as trade is carried on by Co-operative Organisations, it will be carried on primarily for the purpose of meeting human needs, and not to derive a large amount of profit from the transaction. Secondly, we believe that through the payment of the patronage refund we might go far towards correcting the imbalances which have plagued the nations of the world, the creditor nations as well as the nations which buy more than they sell, and which have created a great deal of international difficulty. In short, we hope Congress will find this resolution acceptable because we believe that by going in this direction and trying to develop international co-operative trade, Co-operatives can perform some of the same kind of yardstick functions with respect to international trade as a whole that they perform within the economies of the nations where they do a substantial proportion of the internal business, with respect to the controlling of costs, the bringing down of prices, the breaking of the hold of monopolies on the economy of nations and in other ways.

We, of the American delegation, therefore, hope that this resolution will meet with approval. We believe that it is an orderly implementation of the resolution proposed by K.F. of Sweden, which was adopted almost unanimously this morning, and we can see no reason for opposition to it.

Mr. A. J. Cleuet, France: I support the Resolution submitted by the American League, and I think this is an appropriate moment to remind Congress that this problem has been under consideration for a very long time, going back as far as the Congresses at Cremona in 1907, and at Hamburg in 1910. Let us also remember that at Vienna in 1930, London in 1934, and Paris in 1937, we considered this problem, not only as regards the rather special case referred to in the present Resolution, but in a general way. At Paris, we passed a Resolution which recommended—"The study and creation of specialised International Co-operative Societies, with a view, on the one hand, to safeguarding the interests of the consumers in the face of the modern forms of commercial and industrial organisation employed by international trusts and cartels, and, on the other, to improving, without any thought of competition, the technique and means of supply of the Wholesale Societies on the world market."

Following that Resolution, we set up the International Co-operative Trading Agency, which was completely in the spirit of what our American friends now suggest, and later, in 1946, the International Co-operative Petroleum Association was created.

I hope Congress will vote unanimously for the Resolution before us.

On a vote taken by show of hands, **The President declared the resolution carried.**

Resolution on Consultation with International Bodies on Co-operative Development Programmes.

The President: This resolution, which has been accepted by the Congress Committee on the Report of the Central Committee, will be moved by Mr. Brot:—

The Eighteenth International Co-operative Congress, while noting with satisfaction that the actual and potential rôle of co-operative self-help in the economic and social advancement of under-developed countries is increasingly appreciated, both by the United Nations and by National Governments receiving technical assistance, considers that, in order to make the fullest and most effective use of the resources of the Alliance and its affiliated organisations, a common understanding concerning their respective functions in planning, aiding, and implementing co-operative development programmes, is necessary between the world organisations interested in promoting co-operation.

The Congress, therefore, instructs the Authorities of the I.C.A. to initiate consultations with the International Labour Office, the United Nations Food and Agriculture Organisation, and the International Federation of Agricultural Producers with a view to a working agreement, which, while allotting to each organisation its most appropriate sphere, shall serve as a basis for harmonious collaboration between them all.

Mr. M. Brot, France: We all know, from very striking examples, how the co-operative idea, the practice of Co-operation, is a means of reviving, of lifting up the peoples of the under-developed countries. But, while efforts are widely dispersed, it would seem useful to us to co-ordinate them, and that is why the last paragraph of this Resolution recommends the Alliance to take the initiative in consulting the International Labour Office, the Food and Agriculture Organisation, and the International Federation of Agricultural Producers. I think that everyone will vote for this Resolution.

The resolution was not discussed and, after a vote by show of hands, **The President declared it carried.**

THE FUTURE POLICY AND PROGRAMME OF THE I.C.A.

The formulation of an economic policy to which the International Co-operative Alliance could officially give its adherence was considered at the Inter-Allied and Neutral Conference at Paris in 1919, when a resolution was passed which dealt with Principles of International Co-operation and which recommended the adoption of a number of measures (notably relations between Consumers' and Agricultural Co-operatives) for the restoration and development of international economic relations.

On the Agenda for the 10th International Co-operative Congress at Basle, August, 1921, the Central Committee included the question of "The Policy of International Co-operation," which was presented in two Papers; one Paper in its contents and resolution dealt with commercial policy, while the other was devoted to a general economic programme and the internal policy of the Co-operative Movement, but concluded that the time had not come to formulate a final programme for the International Movement.

The problem continued to be the subject of discussion, and following the Twelfth Congress at Stockholm, in 1927, a Sub-Committee was constituted for its study. It was not until 1934, at the London Congress, that its proposals were submitted. Between 1927 and 1934, more particularly in the early '30's, the many changes in world economic structure and the economic depressions had presented numerous obstacles to the adoption of an elaborate economic programme which subsequent changes in the forms of economic organisation might render impracticable of realisation. Therefore, the recommendation to the London Congress took the form of a statement of the main principles of co-operative economics as regards the problems of co-operative distribution, co-operative production, co-operative co-ordination, new forms of industrial collaboration, the problems of raw materials, of international exchange, of finance and credit. This statement was approved by the Congress, and is recorded in its Report.

The first indication after the second world war of what, in the opinion of the National Co-operative Movements, should be the direction of the future policy of the I.C.A., as well as their conception of the prerequisites for economic freedom and peace, were contained in proposals submitted to the first Post-War Conference of the I.C.A. which met in London in September, 1945—namely, the need for the United Nations Organisation to take measures for curbing the activities of international monopolistic combines and cartels, thus, *inter alia*, enabling Co-operative Organisations to acquire access to an equitable share of raw materials; the establishment of conditions necessary for steady economic expansion based upon full production and full employment; the right of the Co-operative Movement to claim from the public authorities freedom to develop in important sections of economic life.

The following year the Central Committee decided that a new statement of policy must be formulated for the Sixteenth Congress, but, in what was then a period of transition, a long-term policy could not be contemplated.

Preliminary Report Adopted by the Zurich Congress.

A Sub-Committee appointed in May, 1946, to prepare a statement for Congress took as its starting-point an article written by Lord Rusholme, President of the I.C.A., the previous year, in which he had stated: "The supreme aim of the I.C.A. must be to assist in winning the Peace, that is to say, creating a world in which there will be no fear of war or of want," and limited itself to drawing up a Preliminary Report in which were set out some general principles to guide the efforts of the I.C.A. towards the realisation of this supreme aim. Briefly, these principles were—that the knowledge and understanding of the co-operative idea should be spread throughout the world through the promotion of voluntary Co-operation and by unity of action between the National Co-operative Organisations in the pursuit of the ideals of International Co-operation, as well as in defence of the common interests of consumers and producers in all countries; that international economic policy should seek to safeguard both the consumer and producer—including those in economically underdeveloped countries—against all forms of capitalist exploitation, to raise the standards of living and health, to assure to all nations and individuals a fair share of the resources of the earth as well as of world production and trade; that to attain this end not only must the traditional work of Co-operative Organisations be intensified, but new forms of co-operative collaboration must be developed, particularly with a view to counteracting the detrimental effects of private cartels and monopolies and preventing their further spread; that in opposition to the capitalist policy of restriction, the Co-operative Movement must stand for the rational development and expansion of production, industrial and agricultural, with due regard to modern scientific discovery and invention, for the expansion of the international exchange of goods, and for the investigation of the resources of all raw materials with a view to their exploitation in the interests of the whole world.

Two main prerequisites to the achievements of this programme were that the I.C.A. should become the International Association representing all Co-operative Organisations of importance, and that it must have at its disposal experts on economic and social problems.

The external policy to be pursued and advocated on behalf of the Co-operative Movement had not, at the time of the Zurich Congress, been fully studied, but the Preliminary Report emphasized as one of the most important aspects of future policy the attitude to be adopted towards the varied forms of state intervention.

The Zurich Congress adopted the Preliminary Report on the understanding that the study of the problem would be pursued with a view to the formulation of a definite statement of policy for the Seventeenth Congress.

Interim Recommendations Adopted by the Prague Congress.

The study was accordingly continued, and at an early stage the Sub-Committee decided to concentrate upon two particular aspects of policy—Relations between Consumers' and Agricultural Organisations; The Attitude of Different States towards Co-operation and of the Co-operative Movement towards the Extension of State Control in Economic Life.

On the basis of replies to a questionnaire on these two problems, the Sub-Committee prepared the submission to the Seventeenth Congress, which was adopted, in the form of the following Recommendations concerning Relations between Consumers' Co-operation and Agricultural Co-operation, and between Co-operation and the Public Authorities in countries of the mixed economy type, with the additional recommendation that the study be further continued with the aim of presenting a final report to the next Congress:—

Recommendations A. Relations between Consumers' Co-operation and Agricultural Co-operation.

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.

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.

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

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.

Recommendations B. Relations between Co-operation and the Public Authorities in Countries of the Mixed Economy Type.

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.

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.

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

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 Direction of the Study after the Prague Congress.

At Stockholm in June, 1949, the Central Committee, after re-appointing the Policy Sub-Committee, considered the course which its study should follow as regards the two groups of problems included in the Prague Recommendations.

On the question of relations between Co-operation and the Public Authorities in the countries of the mixed economy type, the following proposal of the French delegation, which the Central Committee approved, was referred to the Sub-Committee for consideration:—

“ That the Sub-Committee shall proceed to an enquiry on the institutions which, in the different countries, include in their organs of deliberation and decision representatives of Co-operative Organisations, representatives of public authorities or non-co-operative organisations.

“ This enquiry shall relate particularly to the following points: What are the functions and what are the powers of these institutions? What is the composition of their organs of deliberation and decision, the number of members of these organs representing Co-operative Organisations, the number and quality of the other members? What is the method of appointing the members representing Co-operative Organisations?”

As in the submission of the Interim Recommendations to the Congress it had been stressed how little information had been supplied by affiliated Organisations in States with a State-directed economy, the Central Committee expressed the desire that the Sub-Committee should make a special study of relations between Co-operation and the Public Authorities in such countries. They also referred to the Sub-Committee the Prague Congress resolution on the Co-operative Attitude towards Nationalisation; similarly, a proposal submitted at Stockholm by the Soviet delegation.

This proposal declared the principal aims of the activity of the International Co-operative Alliance to be—

“ The fight for the unity of the Co-operative Movement and against any splitting on a national and international scale; the participation of Co-operative Organisations in all measures for securing the social and

economic rights of the working people; the elimination of all kinds of discriminations arising from questions concerning race, sex, nationality, religion, and party opinions; active support of peace and democratic collaboration among all peoples against fascism in all its aspects."

* * *

In resuming its study, the Sub-Committee decided, with regard to **Recommendations A**, that, in view of the understanding that following an informal Conference at Prague of representatives of Agricultural Co-operative Organisations, an Auxiliary Committee on Agricultural Co-operation was to be created, this Auxiliary Committee should be invited to formulate opinions upon these Recommendations as well as methods to implement them.

At that time, November, 1949, it was anticipated that the Auxiliary Committee would be constituted at an early date, and that its opinions would be available when the Sub-Committee was drafting its Report for the Eighteenth Congress. Actually the Auxiliary Committee will only take up its work after the Congress. In these circumstances no conclusions on the Future Policy regarding Relations between the Consumers' and Agricultural Producers' Movements are included in this Report, but the Auxiliary Committee will be asked to study the problem as soon as possible and to formulate suggestions regarding the implementation of the Recommendations.

Relations between Co-operation and the Public Authorities, **Recommendations B**, is not a new problem for the Co-operative Movement. It was examined by the Fifteenth Congress at Paris in 1937, when a resolution was adopted which declared—

That Co-operation, as a form of expression in social activity of its own, is possible and necessary in all the different kinds of economic and political systems, even though its tasks and importance vary in different systems, principally depending upon the character of the social groups which have obtained possession of the State power.

That the Co-operative Movement in all economic systems demands for itself complete freedom of activity on the basis of its own principles, and repels all efforts to control politically its activity.

That the Co-operative Movement, wherever a regulated economy in some form or other has been put into power, rejects measures that hinder the national or international development of its activity, just as it rejects any efforts in a socialist economic system to concentrate the whole economic activity in the hands of public bodies.

While circumstances have greatly changed since 1937, and the problem has presented itself in a much more acute form in the post-war world, the main principles embodied in the Paris resolution still hold good.

Fundamental Principles.

The desire of the Central Committee that the Sub-Committee should make a special study of Relations between the Co-operative Movement and the Public Authorities in countries with a State-directed economy gave rise to difficulties seeing that, in a number of such countries, developments were taking place very rapidly which tended towards the undermining of the independence of Co-operation, of depriving the Movement of its free and

voluntary characteristics, and of making its activities a constituent part of the State economic machinery. New Central Organisations in such countries—constituted by direct State intervention or under laws providing for far-reaching control by State authorities over the Organisations and the Movements represented by them—were found not to be eligible for membership of the Alliance. Developments in the general economic policy of Governments in other countries of this type, whose Co-operative Organisations were still members of the Alliance, gave rise to grave doubts whether the system of over-all control and direction of the national economy could afford opportunities in the future for a free and independent Co-operative Movement.

The Sub-Committee approached the question of eligibility from the standpoint that, even in a State-directed economy, the Co-operative Movement should be independent of the State and voluntary in character, in conformity with the Rules of the Alliance.

Obviously, no recommendations could be formulated applicable to relations between the State and Co-operation in countries where Co-operation has ceased to be Co-operation in the sense of the word as always accepted and applied by the Alliance; where the commercial activities of Co-operative Organisations were transferred to State economic enterprise or to other institutions constituted and operating under the label of Co-operation.

The Sub-Committee was convinced that, unless this distinction between the position of Co-operative Organisations in a mixed economy and in a State-directed economy were clearly defined for the purposes of the Rule governing eligibility for membership, the ideological and organisational foundations of the International Co-operative Alliance would be destroyed.

In this context the Sub-Committee considered also some points of the proposal submitted by the Soviet delegation at Stockholm, which emphasized the importance of unity between all Co-operative Societies. Obviously again, if unity of purpose and action within the Alliance were to be preserved, the principles to be observed by genuine Co-operative Societies must be clearly defined.

At Paris in November, 1949, the Sub-Committee drafted, for the consideration of the Executive, a definition of the essential principles of genuine co-operative activity, to clarify the provisions of Article 8 of the Rules, which governs eligibility for membership.

This definition, adopted by the Executive by a majority vote and subsequently affirmed by the Central Committee at Helsinki in August, 1950, reads as follows:—

“ The Executive Committee, whose duty it is to decide on admission to membership of the I.C.A., considers it necessary to clarify the provisions of Article 8 of the Rules as it understands they should be applied, considering that the unity of the International Co-operative Movement cannot be established unless the most important general principles of Co-operation are strictly observed by all the affiliated Organisations.

“ These principles, without which any genuine co-operative activity is impossible, are:

“ 1. Co-operative Organisations must be open to everybody who desires and is able to employ their services, without any discrimination on political, religious, or racial grounds;

" 2. The organisation of Co-operatives must be democratic at all levels; that is to say they must have the right to elect their Committees or other governing bodies without any intervention or pressure from outside, and all members of Co-operatives must have the same rights and be able to form and express their opinions freely;

" 3. Co-operative Organisations must be completely free and independent and must be able to take up a position with regard to all the problems which affect their own interests, or the general interests, independent of the State and Public Authorities generally, as well as of private organisations (political parties).

" In countries where the right of free association is denied and where any divergent opinions are suppressed, free and independent Co-operative Organisations cannot exist.

" It is only in this way that the Co-operative Movement can be in a position to fight against oppression in all its forms and for the liberation of all the social groups, and thus contribute to ensuring peace, and in this way only will a real co-operative system based upon mutual self-help materialise."

The Executive and Central Committee have since applied this definition of principles in dealing with new applications for membership.

Relations between the Co-operative Movement and the Public Authorities.

In order to obtain factual material for the enquiry concerning the character of relations between the Co-operative Movement and the State, also the forms, methods and effects of the different contacts established, a questionnaire was sent to all affiliated National Organisations, including those in countries with State-directed economies.

While much valuable material was received in the replies (see Appendix I to this Report), the results of the enquiry were limited by the fact that no replies came from member Organisations in countries with State-directed economies* or from the majority of those in other countries. The information does, however, demonstrate the wide diversity of technical facilities in the hands of Co-operative Movements in democratic States to bring influence to bear upon their Governments as regards legislation concerning economic and social policy, as well as in the administration and application of such policy. It also demonstrates that, as a matter of course, the character, extent, and the effectiveness of such facilities are conditioned by factors determining the inherent strength of each system of democratic government, such as parliamentary structure and traditions, independence, integrity, and recruitment of the administrative service, the interplay of the powers of political parties, and the varying degree of capability of the electorate to take an active and interested part in the shaping of policies through the programmes of democratic political parties, as well as in the control over their implementation and administration.

* At a very late date during the work of the Sub-Committee a reply was received from the Central Co-operative Council in Czechoslovakia, which is summarised in Appendix II.

Generally speaking, it would appear that, if the influence of the Co-operative Movement is to be effective, Co-operative Organisations must endeavour to have a voice in bodies and institutions which advise on the preparation of legislation and the administration of policies; they must also claim the right of representation on all central advisory bodies established by Governments, such as National Economic Councils.

The results of the enquiry further indicate that national Co-operative Organisations, by securing adequate representation on national industrial, technological, commercial, and agricultural bodies, as well as on the organs of other democratic Movements—such as trade unions and farmers—can influence the advice given by them to Governments and public authorities.

Ultimately, however, it is not the forms of influence or the technicalities of the contacts which determine the success of co-operative policies and the weight of consumer interest in the development of the economic system of the modern democratic State. The representation of Co-operative Organisations on Committees, even on National Economic Councils, or their participation in state-owned or municipal enterprises may be of little value unless it is backed up by a strong, consolidated, and active Movement, having a definite policy of action and a firm conviction of its indispensability in shaping the new economic system. These policies may vary from country to country as regards the concrete practical aims they pursue, but they will be guided by the principles of action evolved by the International Co-operative Movement on the basis of the experience gained from many countries where the forces active in constructing a democratic economy are at work.

These principles of action, which were laid down in the Reports to the Sixteenth and Seventeenth Congresses, form the outline of the future economic policy of the Alliance. They all aim at permeating economic life step by step with the fundamental co-operative principles, thus replacing the present economic system by an economy of service. But, as repeatedly stressed by the Sub-Committee and at recent Congresses, while the fundamental principles of a long-term policy of the International Co-operative Movement have been stated and agreed on, the need for evolving practical programmes of action, applicable by the Movements in democratic States, is still conditioned by the swings of trade cycles and the changes of the world economic situation as a whole.

The concluding sentences of the preliminary report to the Zurich Congress stated: —

“ In the transition period from monopolistic capitalism to an economy of service, the application of co-operative principles in various forms within economic life as a whole is of primary importance.

“ The Co-operative Movement is, therefore, entitled to claim from the public authorities the liberty of its full development in the large fields of economic life where Co-operation succeeds in reconciling order, efficiency, and liberty by a freely accepted discipline and the putting into practice of the principles of self-help and mutuality.”

To-day, however, even in democratic States which are strongly opposed to the idea of a dictatorial economy directed by non-parliamentary forces, the principles of free enterprise and free trade cannot be fully applied, nor

is the direction of economic life by parliamentary democratic forces in the form of over-all State ownership accepted. The choice in these countries is more or less Government direction of economic life with a view to fulfilling the aims of full employment, social security, cultural progress, and a maximum of harmony within society, while the generally accepted ways of realising these aims are increasing production and fair distribution of national income. This conception should leave—and in practice does leave—to democratic Governments a free choice of different forms of enterprise, according to the appropriateness of each to serve the fulfilment of the social aims of the democratic State—such as State-ownership, municipal enterprises, other forms of collective economy sponsored by public authorities or municipalities, co-operative enterprise, private enterprise, or joint enterprises comprising two or more of these forms of enterprise.

The preliminary report also emphasized the complicated nature of the problem of State control and State interventions, and proposed a study of the various types of State measures brought into operation or proposed for the post-war period. The replies to the first questionnaire do not supply sufficient information on the wide scope of these measures (such as general economic policy, i.e., general trade cycle policy, financial and monetary measures—fiscal policy, social reform policy, foreign trade policy, agricultural protective measures, nationalisation, etc.) to determine the place allotted to the Co-operative Movement in the construction of the post-war economic system in democratic States.

The replies do, however, indicate, on the one hand, that the influence of co-operative policies on the shaping of the general economic and social policies in democratic countries is steadily growing; that the co-operative form of enterprise is, in principle, recognised as one of the fundamental pillars of this new system; but, on the other hand, they indicate that there are still substantial handicaps to be overcome in the form of the inertia of the administrative machinery, traditional conceptions of the forms of governmental controls and interventions, such as contingents, allocations, etc.

It must also be remembered that the post-war period has not so far fulfilled the expectations, widely nursed at the time when the Policy Subcommittee was appointed, for a constructive period in the economic and social development of democratic States, characterised by concerted efforts on the part of democratic forces to rebuild and further advance the national economies in the spirit of the ideals for which the war was fought. The dislocations in the fields of production, foreign trade, exchanges, and monetary policy, inherited from the war period, have been a persistent source of worry to most countries, making it necessary for Governments to concentrate their efforts on coping with short-term problems. War-time controls have had to be retained in a number of countries or abolished only by stages, or be replaced by other controls necessitated by continuous changes in the world economic situation. The most recent changes in this respect have even resulted in a reimposition, to some extent, of controls already abolished, and seem to predict, if the effects of these changes were to persist, the reintroduction of emergency controls enforced on the majority of countries by the last war.

This makes it so much the more necessary to stress the importance for the International Co-operative Alliance to voice the claim of the Co-operative Movement to full recognition of the part to be played by the co-operative form of enterprise in all phases of the economic development and organisation of democratic countries. State measures to meet national emergency situations should be so constructed, adjusted, and administered as not to hamper the development of the Co-operative Movement, but, within the framework of emergency control systems, to allow the greatest possible freedom of action to its commercial activities. Unless appropriately constructed and applied to serve this end, such systems, as experience has shown, may easily encourage the growth of trade organisations and cartels within private enterprise and contribute to entrenching their power of price-fixing to the detriment of the consumers' interest and to the imposition of restrictive policies of all kinds on national production. Co-operation, as the most effective means of fairly protecting consumers' as well as producers' interests in all economic situations, and particularly in periods of national emergency, should be afforded all opportunities to expand its activities to meet these dangers.

Expansion of World Economy.

Finally, it is necessary to stress the adverse effects of persisting economic dislocations on the realisation of the progressive schemes for the co-ordination on an international plane of the efforts to create and maintain an expanding world economy.

The attitude of the International Co-operative Movement to these efforts was stated as follows in the Preliminary Report:—

“ The Co-operative Movement is in favour of, and willing to support, an internationally co-ordinated economic policy by the States with the object of attaining for all peoples the highest possible level of consumption.

“ To be successful, i.e., to ensure full production for human needs and effective employment of all productive resources, such a co-ordinated policy must build upon economic expansion.

“ Among the fundamental means of attaining this goal are—stabilisation of currencies; a gradual elimination of the obstacles to international trade; the abolition of restrictive monopolistic policies in every form.”

The slow pace at which the realisation of the aims of the United Nations Organisation in the economic and social field is undeniably proceeding should not only be viewed in the light of the appeal which the enthusiasm born of the victory of the democratic countries made to all progressive forces and to the solidarity of the world. Due consideration should also be paid to the vast extent and diversification of the tasks involved and to the resources of the forces of resistance—the powerful structures of monopolistic capitalism, the deeply-rooted ideas of national egotism and traditional conceptions of national sovereignty. These obstacles make it vitally necessary for the International Co-operative Movement, based upon the conception of true internationalism, to support and promote, with all the forces and resources at its disposal, the aims embodied in the Inter-Governmental Organisation created to implement the ideals of lasting peace and of freedom for all nations.

Freeing international trade from its shackles and an effective international control of monopolistic combinations on an international plane will greatly facilitate the full implementation of the programme of International Co-operative Trade Exchange, the establishment of jointly-owned co-operative productive enterprises to complete the federative co-operative structure, thus providing, in due time, the most powerful instruments to defeat the restrictive forces in world economy.

The promotion of Co-operation in all parts of the world—which is also a consistent part of the policies of the United Nations Organisation to further the economic development of the under-developed countries—must be regarded as one of the most urgent tasks of the Alliance in the light of world political and economic development in the post-war years. Large sections of the populations of extra-European continents have established their political independence, and others, under the Trusteeship of the United Nations, are being prepared to take over the responsibility for governing themselves, including the right of determining the future lines along which their national economic systems will be shaped. To a large extent these populations are emerging from a pre-capitalistic state of economy, and they have only the alternative choice of developing by means of foreign capital, which means dependence, or by the organisation of self-help on co-operative lines. Dependence upon foreign capital would be the more dangerous since capitalism is nowadays effectively organised internationally, while many of the under-developed areas, rich in natural resources not yet sufficiently developed, would offer a seductive prey for international monopolies. The Co-operative Movement, if introduced and developed sufficiently early, and with a full measure of voluntarism and independence, would provide the means whereby the peoples of the under-developed countries could raise their material and cultural standards by their own efforts and initiatives, and thus offer effective resistance to monopolistic infiltration.

The continuous expansion of the Co-operative Movement in all parts of the world, on the foundations of Freedom, Independence, and Voluntarism, must be the predominating aim of the future policy of the Alliance. Only in this way can the profit-making economy be ultimately defeated and substituted by a true economy of service which will ensure the preservation of freedom, social justice, and human progress.

Conclusions.

1. Co-operative Organisations must be completely free and independent. Therefore, they cannot exist in countries where the right of free association is denied.

2. The Co-operative Movement must exploit all possibilities in order to expand its sphere of action, and to intensify its influence not only economically but especially with a view to influencing the economic and social policies of the State.

3. Economic and social development in countries of the so-called mixed economy type is possible through increasing application of co-operative non-profit-making principles, and through the active participation of the Co-operative Movement in the preparation and the implementation of economic and social policies of the State.

4. The Co-operative Movement can influence the economic and social policy of the State in various ways, particularly by collaborating in Committees continually occupied with social and economic problems, thus ensuring a permanent contact which is of greater importance and value than the submission of written statements or collaboration in *ad hoc* Committees; securing a hearing by the authorities with regard to the preparation and application of economic and social legislation.

5. The real influence of the Co-operative Movement on social and economic measures does not depend upon the form which its collaboration takes, but, above all, upon its effective force within the country.

6. It is in the highest interest of the democratic State, whatever may be the changes in the national economy, to assure freedom of action and development to the Co-operative Movement.

7. Co-operative Organisations can and must participate in the valuable work which the United Nations Organisation and the Specialised Agencies, particularly the I.L.O., F.A.O., and UNESCO, are performing in promoting the economic advancement of the under-developed countries.

Resolution on the Report.

The Eighteenth Congress of the International Co-operative Alliance approves the Report on the Future Programme and Policy of the I.C.A. and adopts the conclusions contained therein.

The Congress impresses upon affiliated Organisations that, in order to implement these Conclusions, it is imperative for them to expand to the greatest extent possible and to endeavour more and more to permeate the economic life with co-operative principles.

The Congress is convinced that economic and social development in the countries of the so-called mixed economy type is possible through the increasing application of co-operative non-profit-making principles and through the active participation of the Co-operative Movement in the shaping of the economic and social policies of the State; that real and lasting improvement in the standard of living can only be assured by increasing production, and for this reason economic development must not be hampered, either by monopolistic organisations or restrictive State policies; that the Co-operative Movement, national and international, has a special rôle to fulfil in economic development, and it is, therefore, in the paramount interest of the democratic State, in all the changing conditions in the national economy, to assure to the Co-operative Movement freedom of action and expansion.

The Congress appeals to the affiliated Organisations to give their full support to the International Co-operative Alliance in its collaboration with the efforts of the Organisations of the United Nations to bring about freer international trade and effective control of monopolistic combinations, as well as to promote all forms of Co-operative Organisation in under-developed countries.

Finally, the Congress charges the affiliated Organisations, in accordance with their obligations as members, to take all such action as may be recommended by the Central Committee in support of the policy of the I.C.A.

APPENDIX I.

RELATIONS BETWEEN CO-OPERATIVE ORGANISATIONS AND PUBLIC AUTHORITIES.

Analysis of Replies to the Questionnaire.

As the questionnaire consisted of two parts—"Co-operative Participation in Mixed Enterprises" and "The Co-operative Movement and State Economic and Social Policy"—the replies were grouped and analysed accordingly.

A. Co-operative Participation in Mixed Enterprises.

There are four main types of mixed enterprises in which the Co-operative Movement participates with Public Authorities and/or private interests:—

1. Productive enterprises;
2. Service or public utility enterprises;
3. Banking, financial, and commercial enterprises;
4. Trading enterprises.

1. Productive Enterprises.

The answers to the questionnaire reveal very few instances of joint Public Authority-Co-operative enterprise in the field of production. In the great majority of cases no examples of such enterprises have been given, though ISRAEL reports that there may be collaboration in some specific projects.

Perhaps the outstanding example comes from NORWAY, where the Persil factory (formerly operated by the German Henkel Trust) is now organised as a quadripartite joint stock company; up to 1949 it was operated by the State Directorate for Foreign Properties. At first there were negotiations between Norges Kooperativ Landsforening (N.K.L.) and the Government as to the future ownership of the factory, but, after criticism and opposition from private interests, provision was made for its joint ownership by N.K.L., the joint organisation of the private traders (K.O.F.F.), the institute for import of machines and requisites for dairies and agricultural industries (Landteknikk), and the Norwegian Government. N.K.L. holds 40 per cent of the shares and appoints 2 of the 6 directors.

In SWEDEN a joint enterprise between the State and Kooperativa Förbundet is planned for the production of nitrogen in a factory with a capacity of more than 100,000 tons a year, each party owning 50 per cent of the shares.

Another enterprise which possibly can be included under this heading is the GERMAN Gemeinwirtschaftliche Hochseefischerei G.m.b.H., formed jointly by the three provinces of Schleswig-Holstein, Hamburg, Bremen, and the Municipality of Cuxhaven, the German Trade Union Federation, and the German Co-operative Wholesale Society, G.E.G. This organisation came into being as a direct result of co-operative initiative; the purpose was the demonstration of the value of co-operation to both the consumers and the fishermen. The G.E.G. has a shareholding of DM.640,000 of the total of D.M.2,000,000, and has 4 of the 12 places on the Supervisory Board.

In FRANCE Co-operative Organisations are often represented in the administration of industrial enterprises operated by the State, but, as a rule, trade unions and employers' federations participate to a far greater extent than the co-operatives. The State seeks the participation of Co-operative Organisations partly in order to represent the interests of producers and consumers, and partly to act as a balancing force between labour and capital. The Co-operative Organisations, for their part, collaborate in order to secure recognition of their legitimate interests.

2. Public Utility Concerns.

Co-operative participation in the operation of public utility or other service enterprises is again not large, and certainly not significant. Indeed, it might be true to say that the general rule is that Co-operative Organisations are not involved in public utility activities as far as the countries reporting are concerned.

The major exception is ISRAEL. Before the State of Israel came into being, many of the functions usually fulfilled by government agencies were performed by such public and quasi-governmental bodies as the World Zionist Organisation (W.Z.O.) and the Jewish National Fund (J.N.F.). For example, the Mekoroth Water Supply Company was established in 1937 on the initiative of the General Co-operative Association of Jewish Labour in Eretz Israel, Ltd., Hevrath Ovdim, but in order to increase the scope of its activities W.Z.O. and J.N.F. contributed 50 per cent of its capital. Since the establishment of the State of Israel the company has enjoyed full recognition by the Government, and is the only concern permitted to exploit water resources.

The position is much the same as regards a shipping company, competing with private interests, founded in 1946 by Hevrath Ovdim and W.Z.O. In addition, Hevrath Ovdim participates in the government-created aviation company, El-Al, and is jointly interested with El-Al in the internal aviation company, Elath, formed in 1949. Both have a monopolistic character. Again, in 1936, Hevrath Ovdim and W.Z.O. formed a company to finance public works by means of long-term loans.

In general, the management and control of these companies are based on the capital interests of the various parties. In all of them, Hevrath Ovdim has *de facto* at least 50 per cent interest in the management. Its representatives to these bodies are elected or nominated by Hevrath Ovdim at the general meetings of the companies.

In the SCANDINAVIAN COUNTRIES there are examples of co-operative participation in local public utility services. In FINLAND such bodies have a local monopoly; co-operative participation is based on the need to protect their interests. In SWEDEN Kooperativa Förbundet has collaborated with a number of towns in the south of the country in an electric power distribution enterprise; KF's interest is 26 per cent. Some local consumers' societies also operate municipally-built laundries against a rental charge.

Consumers' co-operative organisations are in a few cases connected with transport and electricity supply in SWITZERLAND, where the main purpose of the Movement has been to facilitate the establishment of such services, but since the financial contribution is not often large, its representation in the administration may be small. Co-operative nominees may be elected at the General Meeting.

3. Banking, Finance, and Commercial Institutions.

Both BELGIUM and FRANCE have given examples of co-operative representation with Public Authorities and other interests in banking, financial, and commercial institutions.

In FRANCE the President of Société Générale des Coopératives de Consommation (S.G.C.C.) sits on the Board of the Bank of France, and is, in addition, President of one of the largest nationalised banks, Comptoir d'Ecomptes. A co-operative representative is President of a second nationalised bank, while the Workers' Productive Co-operatives are represented on the Board of a third nationalised bank. With the exception of the central bank, these banks are competitive.

In BELGIUM, representation of the co-operators' point of view on the managing boards of banking and financial institutions is not direct and by right, but through the presence of co-operators appointed as individuals. There is such representation in the National Bank of Belgium, and on the governing bodies of five institutions connected with credit, savings, and other financial matters.

In SWITZERLAND, V.S.K. has one representative among the 40 members of the Council of the Swiss National Bank, which deals with general banking and monetary policy.

4. Trading Enterprises.

In some countries collaboration between the Co-operative Movement, private enterprise, and Public Authorities has developed most noticeably in the form of trading agencies. A great impetus to the development of such bodies came during the war as a result of government action in connection with rationing and other control schemes.

In GREAT BRITAIN the machinery established to allocate raw materials, establish concentration of production, and rationalise distribution took the form of special companies sponsored by the Government. These companies, as, for example, in the margarine and bacon trades, were established under government auspices by the traders—private and co-operative—existing in those fields. The companies act as agencies for government departments; their control rests with the representatives of the trading concerns (on the basis of the capital subscribed) and the Government.

In SWEDEN much the same thing happened. During the war the State established special organisations for meat and fats; another for the import of eggs. All the enterprises, private and co-operative, within the relevant trades covered were compelled to join the new organisations.

An interesting development concerns the meat trade in SWITZERLAND. During the war imports of cattle on the hoof and of meat were regulated by the State, though farmers, meat processors, and consumers were consulted. Since the end of the war an experimental arrangement has been made which has involved the creation of a consultative committee for the supply of meat, and of a co-operative organisation for the import of cattle and meat supplies.

The consultative committee has been appointed by the Department of Public Economy to advise on the supply and price position. Represented on this committee are various farmers' unions, meat importers, meat suppliers, meat processors, consumers (including the Co-operative Movement), trade unions, and so on.

Since the war similar organisations have been introduced in SWEDEN for the import and export of eggs and meat.

After the liberation of BELGIUM, supplies of certain imported goods were secured and distributed through special bodies in the nature of co-operative societies, in which the Co-operative Movement itself took an active part.

B. The Co-operative Movement and State Economic and Social Policy.

Participation by the Co-operative Movement in the formulation of policy, the preparation and enactment of legislation, and the execution of its provisions, seems to be much more highly developed than collaboration with the Public Authorities or other interests in the field of industrial and commercial enterprises.

1. Formulation of Policy and Preparation of Legislation.

The Co-operative Movement is usually consulted about new economic and social measures in most of the countries covered by replies to the questionnaire.

SWEDEN. The Co-operative Movement reports a large number of committees of enquiry or bodies with delegated executive powers on which it has had representatives over a long period of years. Most of these were *ad hoc* committees covering retail distribution, agriculture, tariffs, capital investment, education, taxation, anti-cartel measures, and nationalisation. In addition, the Movement consistently presents written statements to the various government departments or committees concerned with matters of interest to it.

GREAT BRITAIN. The Co-operative Movement is seldom omitted from government committees or commissions, and, in addition, it always has the opportunity of submitting written statements, supplemented wherever necessary by oral evidence.

SWITZERLAND. V.S.K. is usually consulted by the Government on matters involving the interests of consumers, including supply, imports, prices, and tariffs. Conferences are often convened to discuss such matters, to which V.S.K. usually receives an invitation. On occasions it takes the initiative in presenting reports to the Government. It has the right of representation on the Advisory Price Control Committee.

BELGIUM. Co-operative influence on the preparation of policy is somewhat less direct. A Conseil Central de l'Economie has the responsibility of submitting to the Minister concerned or to the legislature the various points of view among its 50 members on matters concerning the national economy. The members of the Council are appointed from nominations by organisations representing, on the one hand, industries, trades, and agriculture, and, on the other, workers' organisations, whose nominees usually include representatives of consumers' co-operatives. In addition, councils have been established in four groups of trades, composed of an equal number of representatives of labour and capital, which are charged to submit their views on problems of the trade. Co-operative Societies are at present represented in the Council for Textiles and Clothing.

In some countries, too, there are permanent advisory committees attached to government departments which include co-operative representatives. In ISRAEL, for example, such advisory councils have the important task of drafting legislation. In the Federal Republic of GERMANY there are special sections within certain government departments which deal with co-operative matters and always invite comments on draft legislation. In NORWAY and other countries the advisory committees are voluntary in the main and temporary rather than permanent. FRANCE has a mixture of both permanent, statutory bodies—National Credit Council and National Price Control Committee—and provisional advisory bodies.

2. The Enactment of Legislation.

The next stage at which Co-operative Movements may attempt to influence policy is during the passage and enactment of legislation. This influence may be wielded in different ways, for instance:—

- (a) Through organised parties or groups within the legislature;
- (b) Through individual legislators sympathetic to the Co-operative Movement;
- (c) Through written statements to, or oral statements before, parliamentary committees.

In BRITAIN the Co-operative Movement has established its own Co-operative Party, which, in Parliament, works with and supports the Labour Party, while maintaining a special watch on the interests of the Movement. In addition, the Parliamentary Committee of the Co-operative Union maintains very close contacts with Ministers and Government departments, as well as with the Co-operative Party, on all matters affecting the Movement.

In BELGIUM there exists a Parliamentary Group of Co-operators which has been formed by an agreement between the Société Générale Coopérative and the Socialist Party of Belgium. This group takes a special interest in all legislation affecting the Co-operative Movement.

In the Federal Republic of GERMANY a parliamentary group has recently been formed from the 60 deputies belonging to the Christian Democratic Party and the Social Democratic Party, who are either co-operators themselves or sympathetic to the Movement. Both the C.D.U. and the S.D.P. have appointed a spokesman to whom the Co-operative Movement may address any requests or suggestions which it desires to bring to the attention of these two major political parties.

A parliamentary group of co-operators, drawn from members of different political persuasions, exists in SWITZERLAND, but is not strongly united. The Co-operative Movement, and the V.S.K. in particular, also maintain contact with individual co-operators who are members of Parliament.

In SWEDEN and FINLAND, as in other countries, influence upon legislation generally takes the form of the submission of written or oral statements to Parliamentary Committees. In SWEDEN, while the Consumers' Co-operative Movement maintains strict political neutrality, it has good friends within Parliament: informal contacts are easy to establish and work well. Similarly, in FINLAND, members of Parliament with co-operative backgrounds or connections promote co-operative interests, and keep K.K. informed of developments. No organised liaison is necessary since the number of members of the Parliament with co-operative sympathies is so large.

3. The Execution of Policy.

Apart from the bodies which have only advisory powers, principally in connection with the drafting of legislation, there exist, in some countries, other bodies with executive or quasi-executive powers on which Co-operative Movements may find representation.

a. Economic.

In FRANCE a permanent and statutory Conseil Economique, established under the 1946 constitution, has extensive advisory powers ranging over the whole field of planning, prices, control of retail enterprises, allocation of import or export quotas, and other trade matters. This council has 165 members, of whom 9 must be co-operative representatives—2 from agricultural societies, 2 from consumers' societies, 2 from workers' productive societies. The co-operative members have the same rights as others, and their votes are of equal value. They are nominated by their societies, but appointed by the Government.

In NORWAY, Det Okonomiske Samordningsrad has a similar purpose, but somewhat more limited powers. Its 19 members are all appointed by the Government, but since the establishment of the Council in 1945 one has been a representative of N.K.L. Other co-operatives have 2 representatives.

In several other countries the Co-operative Movement is represented on bodies which have the duty of administering legal provisions in particular trades or groups of trades.

In SWEDEN a State Agricultural Committee, established on a permanent basis, is responsible for the long-term agricultural policy of the country. It is unique that the Co-operative Movement has 3 of the 6 members of the Board of this Committee, which comprises one representative from K.F., 2 from the Farmers' Co-operative Movement, one each from the trade union movement and private trade. The chairman is a high state official.

The State Trade and Industry Commission administers the necessary regulations concerning raw material supplies and production. K.F. and the Farmers' Co-operative Movement each have one representative on the Board of 17. They also have one representative each on the State Price Control Board. The Co-operative Movement's representatives have equal rights and are appointed by the State after consultation.

Representatives of the BRITISH MOVEMENT may also be appointed to serve on bodies with executive powers. A recent example is the White Fish Authority, which includes a representative of the Co-operative Movement among its members, vested with the task of regulating, re-organising, and developing the industry.

CANADA reports that representatives from the Fishermen's Co-operatives on both the east and west coasts sit on the Fisheries' Prices Support Board and the Fisheries' Research Board; they are appointed by the Governor-in-Council or the Minister of Fisheries after consultation.

b. Social.

From the replies to the questionnaire it would appear that as far as social policy is concerned the main contact of the Co-operative Movement with Public Authorities is in connection with labour conditions and social welfare schemes on the one hand, and social insurance facilities on the other.

In FRANCE, though the Movement is not represented as such in the social security administration, it is represented on certain consultative committees concerned with apprenticeship and other labour conditions. In NORWAY, N.K.L. is a member of two organisations active in the provision of recreational and holiday facilities for working-class families. In ISRAEL, Hevrath Ovdim is connected with the Workers' Sick Fund, Kupath Holim, and is represented on the special committee of the Ministry of Labour charged with the preparation of an over-all social insurance plan. In SWITZERLAND, the President of V.S.K. sits as an individual on the Committee for Social Statistics, which deals, among other things, with the cost-of-living index. In BELGIUM the Co-operative Movement is represented as employers in the Administrative Council and the Management Committee of the Caisse Nationale des Pensions pour Employés, and in the advisory body connected with the family allowances legislation; it has also many opportunities to influence the decisions of particular bodies in favour of the workers.

APPENDIX II.

Summary of Replies to the Questionnaire from Ustredni Rada Druzstev, Czechoslovakia

A. Co-operative Participation in Mixed Enterprises.

In Czechoslovakia all public utilities belong to and are operated exclusively by the State.

B. The Co-operative Movement and State Economic and Social Policy.

As distinct from the other countries from which replies have been received, there is close collaboration between the Co-operative Movement and the Public Authorities in the field of industrial and commercial enterprises.

In agreement with Ustredni Rada Druzstev (U.R.D.), two joint state and co-operative wholesale enterprises were constituted by special laws, both of which have functioned since 1st January, 1949.

One of these, Velkodistribucni podnik VPD (wholesale distribution enterprise)—a Co-operative Society in which the State and the Co-operative Movement have, respectively, 51 per cent and 49 per cent of the representation on the Board of Management—has a monopoly for the purchase of all foodstuffs, drinks, and some industrial goods for consumption from nationalised factories, as well as from the few private producers which still exist. It also has a monopoly for the distribution of these goods in state, especially food, retail trade, in co-operative and private trade. Co-operative Societies supply 70 per cent to 80 per cent of the population, and state retail trade supplies the remainder.

(Since 1946, the reply points out, private retailers have voluntarily been offering their businesses to Co-operative Consumers' Societies, sometimes applying for membership in the Society on behalf of their customers, because they appreciated that the Societies offered them a just reward for their labour. In the same way artisanal producers have joined either Consumers' or Artisans' Productive Co-operative Societies.)

The second enterprise, Ustredni pro hospodareni zemedelskymi vyrobky UHZV (central for agricultural produce economy), is also a Co-operative Society, on whose Board of Management the State and the Co-operative Movement have, respectively, 51 per cent and 49 per cent of the representation.

The results of this co-operation between the State and the Co-operative Movement are very important for all consumers, as well as agricultural producers, and both of the above-mentioned enterprises are important organs of planned economy.

Formulation of Policy and Preparation of Legislation.

a. Economic.

The participation of U.R.D. in planning—which is the economic law in socialised economy—is provided for in the Law concerning the constitution of U.R.D., as well as in the Five-Year Plan Law. These Laws make it obligatory for all the Ministries and other public authorities to consult U.R.D. in all important questions concerning the Co-operative Movement and the activities of Co-operative Societies. Attempts have been made to nationalise Co-operative Societies, but, following the intervention of U.R.D., the State authorities have rejected the attempts.

Representatives of U.R.D. in various Commissions of the State Planning Office, Ministries of Internal Commerce, Food Industry, and Light Industry, co-operate in the preparation and co-ordination of regional and central plans which are discussed and agreed upon by the broad masses of working people, whose initiative and creative work contribute to the fulfilment of the plans.

b. Social.

Representatives of U.R.D. collaborate especially with the Trade Unions and the Ministry of Labour and Social Welfare in the solution of questions concerning co-operative employees' wages, and, through the participation of co-operative representatives in the solution of all important economic and social questions concerning consumers, agricultural and artisanal producers, the Co-operative Movement, with other People's Organisations—Trade Unions, Farmers' Unions, etc.—exercises a decisive influence in the national economy.

APPENDIX III.

Proposals of Mr. A. Zmrhal, Czechoslovakia.

The following are the main points which, in the opinion of Mr. A. Zmrhal, a member of the Policy Sub-Committee and President of Ustredni Rada Druzstev, should be included in the Statement on the Future Programme and Policy of the I.C.A.:—

1. Expansion of the ranks of the I.C.A. by recruitment of new Co-operative Associations and Unions without any discrimination on political, racial, national, or religious grounds. Firm and persistent action in safeguarding the unity of the International Co-operative Movement and a resolute repulsion of all attempts to split and undermine such unity on a national or international scale. Help for Co-operation in under-developed countries.

2. Collaboration in every possible way in the establishment and development of normal trade relations between the various countries. The participation of Co-operative Organisations in all measures designed to safeguard or improve the social and economic rights of the workers. The fight against capitalist monopolies, fight against capitalist economic crisis, against pauperisation of working people and small enterprisers, against unemployment and poverty in capitalist countries. In these actions the I.C.A. should closely co-operate with the World Federation of Trade Unions, International Federation of Democratic Women, and other international progressive organisations.

3. The support of the world movement for the preservation and maintenance of a lasting peace and security of all peoples. The support of all actions for peace and democratic collaboration, for the prohibition of the atomic bomb and all arms of mass destruction of mankind, and the acknowledgment as a war criminal of any government which would first use the atomic bomb. The fight against rearming of Germany and Japan as a direct threat to the peace, for the lowering of armaments, and Peace Pact of five great powers.

4. Close collaboration between Consumers' Co-operative Organisations and Agricultural Co-operative Organisations, protecting interests of small and medium farmers, exploited by the financial capital.

DISCUSSION ON THE POLICY REPORT.

The President: The Report on the Future Policy and Programme of the I.C.A. will be introduced by Dr. Bonow on behalf of the Central Committee, who will also move the resolution on the Report.

Dr. M. Bonow, Sweden: After the end of the second world war it was obvious that it was necessary to consider the future policy and programme of the I.C.A., and this task the Central Committee entrusted to a small committee known as the Policy Sub-Committee. I would mention that Professor de Brouckère was, until his deeply lamented death, a distinguished member of this Committee. In the early stages of its work the Committee found it difficult to reach definite conclusions with regard to a long-term policy for the I.C.A., the reasons for this being that immediately after the war the world as a whole, and Europe in particular, went through a very unstable period, which involved day-to-day wrestlings with economic post-war problems of the greatest significance. Furthermore, the rapid changes in the economic structure in many countries made it impossible even to contemplate at that time a constructive long-term policy for the I.C.A. and the World Co-operative Movement concerning post-war economic problems as a whole. It was only possible to draw up general recommendations on this subject.

That was the position when the first I.C.A. Congress after the war met at Zurich in 1946. The Preliminary Report of the Policy Sub-Committee was adopted at Zurich, and its main features are given in the Report before the Congress. After the Zurich Congress the Sub-Committee concentrated on two main groups of problems: (i) inter-co-operative relations, especially relations between Consumers' Co-operation and Agricultural Co-operation; (ii) relations between the Co-operative Movement and Public Authorities.

With regard to the first group, it was not too difficult for the Committee, after collecting the relevant facts about the relations between Consumers' Co-operation and Agricultural Co-operation, to lay down some general recommendations. With regard to the second group, it soon realised the impossibility of formulating recommendations of such a general character that they would cover both the conditions prevailing in the democratic countries of the mixed economy type and the conditions in countries of a totalitarian type, where the State directs the whole economic life. The Committee therefore decided, quite logically, to deal with the question under two separate headings: (i) the relationship existing between the State and the Co-operative Movement in democratic countries of the mixed economy type; (ii) the relationship in state-directed economies of the totalitarian type.

Before this analysis could be undertaken properly, it was obviously necessary to obtain some relevant facts both from voluntary Co-operative Organisations existing in countries of the so-called mixed economy type, and from Co-operative Organisations, state-directed and controlled, in countries of the totalitarian type. As the enquiry was not completed when the Congress met in Prague, the Sub-Committee then confined itself to formulating the Interim Recommendations in two restricted fields.

These Interim Recommendations were adopted and the Policy Sub-Committee was re-elected with the addition of Mr. Zmrhal, of Czechoslovakia, as the representative of a state-directed co-operative movement.

The work of the Sub-Committee after the Prague Congress is a highly controversial matter, and I am going to deal with it in a very outspoken manner. The background of the controversy may be briefly described. The I.C.A. was originally created as a world organisation for the Co-operative Movements based upon the Principles of Rochdale; that is to say, as an international body for free, independent, and voluntary Co-operative Movements, mutual self-help organisations. It was never meant to comprise state-governed, so-called co-operative organisations. When such forms of state-controlled co-operation came into existence, the I.C.A. took action. Mr. Brot has reminded you of the action taken against nazi-controlled co-operation in Germany in the '30s, and I did so in 1950 at the meeting of the Central Committee in Helsinki. After the second world war, the I.C.A. was faced with the acute problem of state-controlled co-operative organisations which wished to join to such an extent that they could very soon have assumed power in the Alliance and have been able to use it for purposes quite alien to its original aims.

The situation was very clear. The I.C.A., through which free and voluntary co-operation had expressed common views since 1895, was in danger of being transformed into an organ for state-controlled opinions, or, to put it more plainly, into a propaganda organ for communist ideas about world political affairs. The I.C.A. was never meant to be such an organ, and it never shall be.

The Policy Sub-Committee had to act in defence of the I.C.A., and it did act; otherwise there would have been no question of a future policy for the I.C.A. as a world organisation for free and voluntary co-operation. This is the real background for the definition of principles essential to genuine co-operative activity, which have been confirmed by the decisions of the Executive and of the Central Committee. I do not need to repeat this definition or to discuss it, because Dr. Weber dealt with it yesterday in a most effective manner.

There is one truly international platform for the different opinions of States, and that is the United Nations. The I.C.A. should be concerned with co-operative problems and their bearing upon world economic problems, and not with expressing the opinions of Governments in different States or groups of States. It seems to me, however, that the Soviet delegates and the representatives of the so-called popular democracies are working under the misconception that the I.C.A. is to be used for the same political discussions which are going on within the United Nations between East and West. Everyone can understand the intention of such "co-operative" speeches, which all the time, year after year, merely repeat the requests which the Soviet Union is from time to time bringing forward, such as for the prohibition of the atomic bomb, the measures asked for in the so-called Stockholm appeal, a five-power pact, and so on. The absurdity of endless talks within the I.C.A. on problems which have to be decided by the United Nations must be clear to all of us.

As long as this situation prevails the I.C.A. will be effectively prevented from doing any useful work at all in connection with real co-operative matters, though this is its most important task. I ask whether that is the desire? This is not a rhetorical question, but a very serious one. We can appreciate the importance of it if we look at the constructive tasks which now lie ahead of the I.C.A., according to the conclusions of the Report before us, and particularly the last section of the Report, which is headed "Expansion of World Economy." Time does not permit me to repeat what is said there, but I would refer you to these two sections of the Report. In order to accomplish these important tasks the world organisation of free and voluntary co-operation must devote its energy to promotion work of high quality, especially in contact with the United Nations and its specialised agencies. I need only mention the contribution which co-operation can make towards solving the enormous economic problems in the under-developed countries, but I would emphasize that this work for co-operation, which at the same time is constructive work for promoting peace and friendly relations between all peoples in the world, must be undertaken by the I.C.A. in constant contact with the United Nations and its specialised agencies.

The work before the I.C.A. is so important that we cannot afford to go on spending our energies on endless discussions on matters outside the truly co-operative field. This state of affairs must come to an end. If—and I repeat *if*—a *modus vivendi* cannot be found to permit the important work which is its true purpose to be done by the I.C.A., then let us be realistic and have a definite separation, I hope without bad feelings on either side, between state-directed co-operation and free and voluntary co-operation.

I firmly believe in the great future of free and voluntary co-operation, and I think that we should accept without hesitation the programme and the policy which are outlined in the Report before us. I move the adoption of the Report and Resolution.

Mr. K. Cerovsky, Czechoslovakia: First of all, I would inform the delegates that the Secretariat, acting quite unjustly and obviously on purpose, has omitted from Appendix II to this Report, which gives the replies to the questionnaire from the Central Co-operative Council of Czechoslovakia, a number of facts and figures which were contained in our reply. Our reply stated that since 1946 private retail traders came and offered their shops to the co-operatives, and did so voluntarily, and even came with membership applications from their customers and they did so because they saw that the co-operatives would offer them a just reward for their labour. A statement that no one in our country can be forced to become a member of a co-operative has also been omitted, as well as many other points.

The Congress delegates, representing many millions of co-operators, expect the programme of future policy of the Alliance to express the standpoint of the International Co-operative Movement with regard to the problems of the present time. In the first place, we need to preserve the unity of the Movement, to link together firmly all the democratic and progressive co-operative organisations of the world. We cannot pass over

in silence the fact that this unity is being undermined and broken for reasons of winning power. The unity of the International Co-operative Movement is essential, because only if it is preserved can the I.C.A. fulfil its task of contributing to an understanding amongst the nations.

We believe that our International Organisation can have as members co-operative organisations from countries of different political and social systems, apart from fascist countries. It is necessary for the co-operators of France, Czechoslovakia, the Soviet Union, Belgium, and all the other countries represented here to discuss and act together in a democratic manner in the interests of mutual understanding among nations and to strengthen the importance of the Co-operative Movement in the world. The members of co-operatives are for the most part industrial and agricultural workers, and they expect the I.C.A. to support their desire to raise the living standards of the working people, to fight against capitalist monopolies and fascism, against economic crises, poverty, and the unemployment caused by the capitalist system. So long as the danger of war exists in the world, so long as there are militarists and warmongers, the I.C.A. must give its support to the policy of peace. Millions of co-operators the world over wish for peace, but wishing is not sufficient. Warmongering on the radio, in the press, and in speeches of politicians in capitalist countries, aimed against the Soviet Union and the people's democracies has the object of trying to hurl mankind into a new war. While in the Soviet Union canals and bridges and other constructive works are being built, and in the people's democratic countries the people are building a socialist economy and increasing agricultural production by co-operation, are building new factories not for war but to raise the living standards of the working people, in the U.S.A. the ruling classes are making atomic bombs, fighter aircraft, and other instruments of mass extermination, and their supporters are building war bases in France, Great Britain, Norway, Denmark, and elsewhere and re-militarising Western Germany and Japan. Co-operative organisations must clearly state that they are in favour of peace and against war; that they are on the side of the people and against warmongering and war propaganda; that they are against the re-militarisation of Western Germany and Japan; that they ask for a reduction of armaments and support a peace pact between the five Great Powers.

Mr. Zmrhal presented proposals for the future policy and programme of the I.C.A. which should be embodied in the programme. These proposals are to be found in Appendix III, but I wish to move, in the name of the Czechoslovak delegation, that these points be included in the statement on the future policy and programme of the I.C.A., and that the Congress approve them as fundamental to the policy and programme.

Mr. J. Efter, Israel: With regard to the relations between Consumers' Co-operation and Agricultural Co-operation, I wish to say that in the light of the discussion in the Agricultural Conference it seems to me that this is a most important problem. We are faced with a situation where we have to consider whether understanding and collaboration are possible between the two main factors in our co-operative economy, the consumers and producers, and it depends on us to ensure that good relations prevail between them. Agricultural Co-operatives should use the organisations of

the Consumers' Co-operatives for the supply of such things as machinery, fertilisers, and seeds. In Israel we follow this practice, and the Agricultural Co-operatives use the Consumers' Co-operatives as much as possible for the marketing of their products. The Consumers' Co-operatives, on the other hand, give priority to the products of Agricultural Co-operatives. I feel that there are many points of identity between these two branches, and they should co-operate in seeking a positive solution to questions upon which their points of view may appear to be opposed the one to the other.

With regard to the relations between co-operation and public authorities, we are all interested in having good relations. At present the national economy in most countries is more or less under Government regulation—imports, exports, currency, allocation of raw materials, and so on. The Co-operative Movement must have good relations with the public authorities in order to secure a fair share in all spheres of the national economy. In countries where the Movement does not play a major part in the national economy, it may happen that the Co-operatives are not consulted on national problems and their work and needs are not taken into account. I am not referring to any interference by Government in the activities of the Co-operative Movement in any particular country, but I am asking for good relations between the Government and the Movement. I feel that the conclusions at the end of this Report, namely, that "The Co-operative Movement must exploit all possibilities in order to expand its sphere of action, and to intensify its influence not only economically but especially with a view to influencing the economic and social policies of the State," and that "It is in the highest interest of the democratic State, whatever may be the changes in the national economy, to assure freedom of action and development to the Co-operative Movement" must, with the promotion of world peace, be the policy of our Movement.

Mrs. R. Bortzoi, Roumania: The Report on the Future Policy and Programme of the I.C.A. repeats the threats and calumnies which have already been expressed against those countries where the people have taken power into their own hands and have liberated themselves from economic crises and unemployment. What are the countries where liberty does not exist for the Co-operative Movement? In our countries there is a strong Co-operative Movement, with a number of social and cultural organisations and meetings which attract more than ten thousand people. Is not the Co-operative Movement free in a country where over 5,000,000 people are members of co-operatives, where in one year there have been more than 160 co-operative meetings where the delegates report on their work to the members? Can it be said that these are countries where the co-operative movement is not free? In France, on the other hand, Henri Martin is put in prison, and in other countries trade union organisations are subject to restrictions. Are these countries where freedom exists? We do not think that we in our country are an obstacle to the unity of the Co-operative Movements in the world and to their working together, but for four years contrary to the rules of the Alliance, we have been denied our right of collective membership. We appeal to the Congress to see that these measures of discrimination are brought to an end, because the rules of our organisation are in conformity with the rules of the Alliance.

Mr. R. G. Gosling, Great Britain: It has become the custom at this Congress to quote Lord Rusholme as we would quote an elder brother, and I should like, in my contribution to this subject, to quote one thing that Lord Rusholme said at Zurich, with the approval of Mr. Barbier and other delegates at that time. Lord Rusholme said at Zurich: "The enemies of co-operation do not fear our words; the enemies of co-operation fear our actions." This Report which is now before us, and which has the approval of the Central Committee of the I.C.A., has attached to it a resolution which suggests a positive line of action for co-operative policy and co-operative work, not only in Societies but in individual countries. In this contribution to the discussion I should like to concentrate my remarks on one aspect of the Report which I consider to be of vital importance.

The era of individualism has gone completely from many countries in the East, and in the West individualism is slowly giving way to the authority of the State or to the growth of capitalist monopolies. Both these forms have their own limitations, and both have grievous ethical faults. Neither of these developments in economic society embodies the good which flows from conscious, free, voluntary co-operative action. The collective action of the free co-operator has no need to be ruthless, no need to be tyrannical, no need to give great power to a limited number of individuals, and no need to reduce the individual human being to the status of a cog in a machine. Some or all of these faults flow from State action in varying degrees, and certainly from capitalist monopolies.

How, then, in the face of these developments, are we to gain the opportunity to prove that the co-operative way is right? In the first place, we have to face the fact that in most countries co-operators have accepted the State as the appropriate instrument for running the public services, without finally deciding what they mean by "public services," and as yet not going so far as to include milk and bread as such. At the same time, we have to face the fact that very liberal action has been taken to integrate co-operative method with State action.

One very clear and distinct ray of hope to which I should like to point is to be found in the work of the British Labour Government in its relations with the Colonies and under-developed countries of the Commonwealth. In these countries, by educational means, by the appointment of Government advisers, and by finance, the development of free, voluntary consumer, agricultural, and credit societies has been encouraged. This help has been such that, since the war, the number of Societies, their membership, and trade has more than doubled. The question still remains, however, how far we can in our various countries, in a variety of stages of economic development, secure the adoption of the co-operative method and integrate it with State action. While we may continue to prove quite simply that the co-operative method is morally and economically better than private enterprise, and whilst we must continue our fight against capitalist monopolies and, where they are injurious to the public, try to get the State to limit their powers, there is one fundamental question which we must never forget. There is no doubt that in many fields our co-operative method is better than State action. But what is the fear expressed in this document? The fear is expressed throughout that there is too little understanding and

appreciation of what co-operation means in its true sense, also that we pay too much attention to our day-to-day problems and do not study these greater and wider issues. Perhaps also we grow too cynical about our power to perform the acts which will be demanded of us if we wish to succeed; perhaps also we talk too much about peace, instead of developing the Co-operative Movement to the stage where it can be a real bulwark against war.

I ask you to support the Report and resolution because of their vital importance in all your work. I would add the suggestion that this Report is capable of discussion in committee rooms, in the colleges, schools, and classes of the Movement throughout the different countries; also that it should be brought to the attention of every person who is concerned with Governments and can influence their work in the future. From whatever country you may come these issues are vital and fundamental to your future, and, it may be, to the future of the world also. I ask you not to ignore them.

Mr. A. P. Klimov, U.S.S.R.: I do not wish to engage in polemics with Dr. Bonow on such a subject as this, when he calls what is black "white" and what is white "black" without giving any facts or any proofs. This is a matter which concerns Dr. Bonow himself; his opinion and his way of judging things have no influence, fortunately, on the facts of the historic development of the Co-operative Movement. The Co-operative Movement has developed according to its own laws, and it does not depend on the opinion of this or that person, especially when that opinion is not justified. In Russia there is a proverb that a hunchback can be corrected only by the tomb. I have every respect for Dr. Bonow personally, and I am speaking here only of his ideas.

Dr. Bonow said that those for whom he spoke were afraid of losing their influence in the Alliance. This is a frank admission, and it shows that instead of starting out from the principles of co-operation and the essentials of co-operative organisations, they have another idea, a fear of losing their own influence. I was always convinced of this, and I always felt that this was the motive which dictated their activity, as well as their political ideas, which have nothing to do with co-operative ideas. It is political ideas which explain this policy of discrimination.

The proposals before us do not at all correspond to the aims of the I.C.A., but we have a Czechoslovak proposal that our programme should demand the re-establishment of commercial co-operative relations between all countries. One of the causes of the tension which exists in the world is the absence of normal economic and commercial relations between countries. We have always been in favour of the development of such relations.

I think that the programme of the I.C.A. should contain a reference to the need of co-operation for the defence of good social and living conditions for the workers. Our aim should be to take all possible measures to improve social conditions. The present position is one which involves decreases in wages and increases in prices and in taxes, which makes the economic situation of the workers very difficult, including those in the

Co-operative Movement. Can the International Co-operative Movement leave aside this question which so directly affects the life of the workers? I think that it must be one of the chief points in our programme.

Thirdly, we must in our programme guard against a split. We must support the struggle for unity, which is demanded by all organisations. According to Dr. Bonow, co-operation can exist only in capitalist countries, or perhaps in countries of mixed economy; in socialist countries, it would appear, co-operation cannot exist!

Another demand is that our programme should refer to the struggle for peace, since one of the principal tasks of the I.C.A. is to support the international movement for the defence of peace. Peace will be maintained if all the peoples take the defence of peace into their own hands and carry it through to the end. Whatever decisions we take here co-operators will carry on this struggle. The question is whether the Congress is going to take the lead.

Dr. H. Everling, Germany: It is important here that we should speak frankly and call things by their proper names. This does not apply only to the delegations from the Eastern countries but to all delegates, and those from the Western countries should consider what would happen if the Movements in the Eastern countries were one day to be in the majority in the Alliance. Does anyone think that it would then be possible to carry on discussions as we are doing here to-day? It certainly would not, but the same thing would happen as happened in the World Federation of Trade Unions where the free Trade Unions were in the minority and were obliged to withdraw from the Organisation. Up to now we in the I.C.A. have remained united, and we hope that we shall long be able to do so. But, at the same time, we must recognise the purpose which certain motions which are presented here and the discussions upon them serve. The purpose is that the representatives of the Movements of Western countries shall become the minority. We must not allow that to happen.

I do not know exactly what is the position in Russia or in the satellite countries, but I do know very well the situation and the conditions in the Eastern zone of Germany, and, from my own experiences, I can tell you that in Eastern Germany there no longer exists a Consumers' Movement. Organisations calling themselves Consumers' Co-operatives exist, but they are not genuine co-operatives. It is the spirit that animates these Societies which really matters and that is not a co-operative spirit.

The position was different some years ago when Lord Rusholme and Miss Polley visited Eastern Germany on behalf of the I.C.A. At that time, 1947, former managers of Consumers' Societies, who had been put out of their posts during the nazi régime, had once again taken over the leadership. For a while they were allowed to continue, in order to rebuild the Consumers' Co-operative Movement. But later, after they had succeeded in rebuilding the Organisations, unless they happened to be communists, they were removed from their posts, were arrested and imprisoned unless they fled across the frontier into Western Germany. To-day in the Western zones there are a number of former managers and co-operators who had been active in Eastern Germany but could not risk their lives by staying.

These are facts, and when, at the meeting of the Central Committee at Oslo, a Russian delegate declared that if my colleague, Mr. Dahrendorf, who had then spoken of these facts, had made such a speech in Eastern Germany he would have been thrown out he was speaking the truth, for there is no doubt that if he had made that speech in Eastern Germany he would have been arrested and sent to a concentration camp, as he had been during the nazi régime.

That is how things are in Eastern Germany, also, we believe, in Russia and the satellite countries. We must see to it that those who represent the free and genuine Co-operative Movements of the West remain in the majority within the I.C.A.

Mr. G. Cerreti, Lega Nazionale delle Co-operative, Italy: On the Future Policy and Programme of the I.C.A. I have three objections and one conclusion to make.

First: what is a programme? A programme consists of tasks and objectives. If it is a complete programme it will contain both, if it is a general programme it will contain aims. But I cannot find in this programme either tasks or objectives or even a reminder of aims. I consider, therefore, that it is not a programme. We tried to draw up a programme at Zurich, and, in fact, the Zurich Congress was from that point of view a success, because it put forward four fundamental problems: (1) co-operative education and propaganda; (2) the organisation of the struggle against all forms of capitalist exploitation, trusts, and cartels; (3) the prevention of a new expansion of cartels and its harmful effects and consequences for consumers and producers; (4) the participation by producers and consumers in the resources of all countries of the world. That was a programme. It had to be specified, and at Prague we tried to define its points. Now we have taken a step backwards and are less advanced than we were at Zurich.

My second objection is: that the Resolution only contains recommendations and does not indicate any precise line of action for Co-operative Organisations, which means that we have not profited by the experience of the last three years, or at least not sufficiently for certain tasks to be made more specific.

My third objection is: that the two last paragraphs of the Conclusions of the Report are, in certain respects, dangerous and can be quite opposed to our common aims.

When we are told that as an International Co-operative Alliance we must give our support and collaboration to the United Nations Organisations, we agree; if we are asked to support the Charter which was drawn up between the powers after the victory over nazism and fascism, we agree; but if we are asked to support the agreement at San Francisco for the signing of a Treaty with Japan, we cannot agree. We cannot give the Alliance a programme without making this fundamental distinction.

Finally, the Resolution speaks of action to be recommended by the Central Committee in support of the policy of the I.C.A. But in order that the Central Committee may study these questions in detail and draw up a programme a special Commission should first be set up to draft a programme. This is the proposal I make—that a special Commission, chosen

from among the members of the Central Committee, be authorised by Congress to draw up a programme, taking into account their experience of what has been found most profitable in the various countries.

Finally, I must emphasize that, in the situation in which we now find ourselves, our Movement, however important it may be, which has a considerable moral rather than material influence, needs help from wherever it can be found. I do not discriminate, nor indicate, this or that organisation, this or that movement. We must seek allies in order to win our fight against the monopolist trusts which are behind the strategic conditions for a new world war, and we must have the courage to say that our policy with Trade Unions has not worked with the International Organisations. The essential thing is that the workers in the Co-operative Movement shall unite with the workers in the Trade Unions for the realisation of their common aims, which are the liberation of the workers and the progress of human society.

Dr. M. Weber, Switzerland: As a member of the Policy Sub-Committee, I am prepared to defend its work. This Sub-Committee had the very difficult task of submitting a report on the future policy of the I.C.A. and of drawing up a programme. I ask would anyone who listened to the debates of yesterday and to-day say that, in the present conditions, he could draw up such a policy and programme and carry it out? Such a thing is impossible under the present circumstances. We must first have the right foundation for the I.C.A. before we can decide what its future policy and programme should be.

The Sub-Committee considered a number of problems; it issued a questionnaire and has reported on the relations between the Co-operative Movement and the Public Authorities, a question on which Professor de Brouckère had already made a valuable report. The Czech member of the Policy Sub-Committee sent a special report in reply to this questionnaire, which is printed as an Appendix to the Sub-Committee's report. While it would be very interesting to have an objective enquiry into economic relationships in different countries, I could not support the proposal which has just been made by the Czechoslovak delegation that Mr. Zmrhal's report be embodied in that of the Sub-Committee. We have taken note of the report, but we cannot discuss here and enter into all the political problems which have been raised, all the more so because the Resolution submitted to the Congress with the report has a quite different direction.

In conclusion, I would say that the great problem with which we are faced at present is to build up an economic life which assures the maximum well-being and social justice and, at the same time, the maximum of freedom. I will say quite frankly that we have no prescription ready, but that we must accumulate experiences in order to ascertain how this problem can be solved. But from our past experience in those countries which have lost their freedom, we are determined never to sacrifice our freedom, no matter what so-called material advantages might be promised to us. I repeat, we want the maximum of well-being and of social justice, but only so far as man can also live in freedom.

Mr. G. Bollani, Confederazione Cooperativa Italiana, Italy: We come from a country where a surplus of man-power has led to great unemployment, and where the Co-operative Movement is in great difficulties. The Co-operatives, however, protect the best interests of the people and offer them possibilities for improving their position through Agricultural Co-operation. They give them a feeling of personal participation in a useful work of collaboration with other men and women.

But while we have a surplus of man-power, in other countries there is a shortage. We may not be very satisfied with the exchange of goods, but we must not, in considering this problem, forget the human problem.

We, therefore, suggest that the fourth paragraph of the Resolution should be amended to provide that, in its future activity, the I.C.A. should clearly have in mind not only the necessity of greater freedom in international trade, but also greater freedom in the exchange of man-power, especially amongst Co-operative Organisations, and should itself support such exchanges. This would not only be of considerable importance for the economies of the countries concerned, but also for promoting international understanding. In addition, it might help to solve many human and personal problems. The delegates of the C.C.I. believe that this amendment would be an improvement; and that it will be supported in the same spirit as that in which the representatives of UNESCO and of the I.L.O. dealt with this problem yesterday.

The President: I will call upon Dr. Bonow to reply to the discussion.

Dr. M. Bonow: I do not think it is necessary to enter into the details of the discussion, but I should like to say a few words on some points.

The Czechoslovak delegate said that some parts of the Czech reply to the questionnaire have been intentionally omitted. There is no foundation at all for this accusation. The Secretariat of the I.C.A. considered how best to present the material contained in all the replies, and there has been no intention of giving a biased view on any of the material. I may mention that the material sent in reply to the questionnaire was very voluminous; Sweden, for instance, sent a report of about fifteen pages. It was necessary to condense the replies, and, as regards most of the organisations, only very short paragraphs are given from their replies, because to have included the whole would have meant to publish a book. I think all the important points in the reply from Czechoslovakia are reflected in the summary.

Mr. Efter emphasized the importance of relations between the Agricultural Co-operative Movement and the Consumers' Co-operative Movement. I agree entirely with him and his point of view. As Congress knows, the implementation of the interim recommendations concerning the relations between agricultural and consumers' co-operation contained in this Report will be studied by the Auxiliary Committee on Agriculture which has just been constituted.

With regard to the speech of the Roumanian delegate, Mrs. Bortzoi, I will only say that the facts given by her about the expansion of the

Roumanian Co-operative Movement do not go against the arguments presented in this Report. Mr. Gosling supported the Report, so there is no need to deal with his speech.

Mr. Klimov referred to the Russian proverb which says that the hunchback can be corrected only by the tomb, but he was kind enough to tell me that he did not refer to me physically, but only to my ideas. I am grateful for that, because, as already mentioned at this Congress, in an article for the celebration of Co-operative Day on 9th September, Mr. Klimov described me and other members of the Executive and Central Committees as paid agents of American and British capitalists and imperialists. In the Central Committee Dr. Weber asked Mr. Klimov whether he really meant what he said, adding that, if he did, it was difficult to understand why he wished to collaborate with the paid agents of imperialists within the I.C.A. Mr. Klimov's only excuse for such abusive language was when he told us "In Soviet Russia we have strong self-criticism and do not weigh our words," but such abusive words about colleagues in the Co-operative Movement are not apt to create friendly relations between us. I must say a few more words about the points he raised. He says that we must have normal commercial relations between all countries. I would remind you that in this Report, also in the resolution proposed by the American delegation and adopted to-day, the importance of normal economic relations between all countries and the necessity for expanding the trade of co-operative organisations as far as possible is emphasized. We are just as interested as Mr. Klimov in expanding normal economic relations.

He also said that there should be something in the Report about defending the interests of the workers, pointing out that there may be periods of unemployment and periods when real wages are decreasing. I would draw his attention to the fact that as long ago as the Zurich Congress, as well as on many subsequent occasions, and even in the present Report, it has been emphasized that the Co-operative Movement must do all in its power to contribute to furthering an internationally co-ordinated economic policy leading to economic expansion and full employment. That is the real way, in my view, of getting international collaboration to protect the interests of the working people in all countries.

I need not dwell on the problem of unity in the I.C.A. I have said that we hope to be able to do useful work, but we cannot allow the position which now prevails to continue, because it means that all our time will be taken up with world political issues, which ought to be discussed within the United Nations and not by the I.C.A. We must confine ourselves to co-operative problems and their bearing on world political affairs and world economics.

Mr. Cerreti said that this is a programme which does not contain the means or the end; that it does not contain the means to achieve the end of co-operative development. We have regarded the Reports as a whole. It was very clearly stated at Zurich that the supreme aim of the I.C.A. is to assist in winning the peace and creating such conditions in the world which will preserve us from fear of want and fear of war. This, I submit, is an aim worthy of the Alliance and the means that we have for working for

its realisation is to go on with our co-operative work, to see that the Co-operative Movement expands to the utmost of its possibilities in all countries where free and voluntary co-operation can work. Moreover, we must try to permeate economic life outside the Co-operative Movement with co-operative principles in the way which has been described in this programme of future policy. I submit to you that this is a task worthy of co-operators; and although no one can lay down principles for a long-term policy which will suit all the changing situations which may arise in the future in the economic field, it is obvious that as long as we go on with our co-operative work, nationally and internationally, to raise the standard of living and protect the economic interests of the consumers and producers of the world we shall be on very safe and stable ground, and will be making a real contribution to economic expansion, to security, and to lasting peace.

The President: I am going to take a card vote for or against the acceptance of the Report and Resolution.

After the count, **The President announced that the Report and Resolution were carried** by a majority of 272—625 votes for acceptance and 353 votes against acceptance.

Close of the Fourth Session.

FIFTH SESSION

Wednesday, 26th September, 1951

RESOLUTIONS ON THE REPORT OF THE CENTRAL COMMITTEE (*continued*).

Peace.

The President: We will take as first business this morning the Resolutions on Peace. The first is a long, general resolution which reads as follows:—

In pursuance of the efforts which the International Co-operative Alliance, since its creation in 1895, has persistently made for the establishment and maintenance in all countries of social and economic conditions conducive to mutual understanding and goodwill between the nations—

The delegates assembled at the Eighteenth International Co-operative Congress proclaim their unshaken belief that real and lasting peace can be assured by the universal application of the fundamental principles of co-operation;

They reiterate those prerequisites for peace which were formulated in the Declaration of the International Co-operative Alliance for the Twenty-eighth International Co-operative Day, July, 1950:—

That in every country of the world people shall enjoy freedom of thought, freedom of speech, freedom of movement, freedom to elect their Government by democratic methods, freedom to create, administer and control their co-operative organisations according to the principles of Rochdale;

That the standards of living and economic development in the under-developed countries of the world shall be raised to a level more comparable with those of the advanced countries, particularly by the promotion of co-operation;

That those countries in membership with the United Nations shall continue to collaborate harmoniously for the fulfilment of the high aims of the world organisation in the spirit of the Atlantic Charter and, in particular, for the implementation of the principle of free access to the raw material resources of world importance, and the frustration of all attempts on the part of profit-making cartels and combines to dominate or monopolise the production, utilisation and distribution of these resources;

That there shall be created an effective international control over the manufacture, in every country of the world, of all types of armaments and instruments of war, including atomic bombs.

The Congress reassures the United Nations organisation of the whole-hearted resolve of the International Co-operative Alliance to continue its collaboration, with the unique force and influence of the World Co-operative Movement, in the carrying out of the programme and in the realisation of the principles of the Charter of the United Nations.

I hope this resolution will find unanimous approval. Originally this text was combined with what is now the second resolution, which deals with the association of the I.C.A. with certain peace organisations. The suggestion was made that, as that might be a controversial matter, it was unwise to include it in the main resolution. The Congress Committee agreed, in the hope that the main resolution, which I now propose, would be accepted by all.

There is no need to remind Congress that from its very inception the Alliance has always placed in the forefront of its programme the cause of peace. I have little doubt that, if all the records of the Congresses and meetings of the Central Committee of the Alliance were examined, it would be found that no other single question has evoked the interest and had the time given to it as the question of peace. In spite of that, what do we find? Since the inception of the Alliance we have had two world wars. To-day I do not think there is a single country where the great majority of people are not thinking about and wishing for peace, but, in spite of that, never was the world more unsettled and never was the fear of hostilities greater. Indeed, it seems strange that whilst on the one hand we have the great majority of the ordinary people of the world anxious and desirous for peace, many of them praying for peace, on the other hand we have this unsettled state and fear of war.

Your Executive had to face this issue when considering the Declaration for Co-operative Day in 1950. We knew that conferences were being held; we knew that millions of signatures were being collected by various organisations to what were called peace petitions; but, in our opinion, merely passing peace resolutions and shouting "Peace, peace" when there was no peace was not a realistic way of facing the position. We, therefore, endeavoured to take a rather different course, and a new course, and tried to place before the hundred million co-operators of all countries a plan which, if practised, might bring about peace.

That plan, in essence, is the resolution which you have before you. We believe that if peace is to be maintained certain world conditions which are stated in this resolution are necessary. I have not time to elaborate on each of the four conditions in detail, but I will refer to them in passing.

The first condition which the resolution lays down is that people of every country should be free people. I do not wish to be misunderstood here. This statement is not aimed at any particular country, or any group of countries, and, therefore, whatever your personal opinions may be, please look on this resolution as a declaration of principles, and not as a declaration aimed at any particular people. But we do believe, and we have the experience of the great catastrophe of 1939 to guide us, that a condition of peace is that people shall enjoy freedom. If the people of Germany had been free to express their opinions before 1939 and at the time of the catastrophe in 1939 that catastrophe would never have taken place. Therefore freedom is the first prerequisite for peace which we lay down.

The second concerns the economic conditions and the standard of living of great numbers of people. There are divided opinions on this. Some contend that the majority of the people of the world have a standard which is below a reasonable standard of living, but whether it is a majority or not does not matter; we know that in the world to-day there are scores of millions of our brothers and sisters—I say that advisedly—who are living on a standard below that which would enable them to have a decent existence. While that continues we are bound to have a feeling of unrest.

The third condition relates to the United Nations, because it is the only organisation for its purpose which is in being to-day. That organisation may not be perfect; it may be possible to raise criticisms against this, that, or the other action taken by it; but if it is not perfect, it is our duty to try to make it perfect. The idea of the United Nations is perfect, and without a single world organisation peace would be impossible. We call for support for that one central organisation, and we call upon it to perform certain duties. One of the main duties to which we refer is that so far as those goods which are necessary to all the peoples of the world are concerned no country and no group of countries shall have a monopoly, but that there shall be free and fair access to the raw material resources of the world.

In our fourth point we deal with the question of all forms of preparations for war. It does not matter whether they are guns or bombs or what they are, because so long as there is the opportunity, as there is to-day, for unlimited armaments, the danger of war will be very great. I know, and this is the spirit that I am going to ask you to get away from this morning, that country A says "We must have more military, naval, and air forces, we must have more guns, we must set our best brains to work to produce more devilish forms of armaments than the world has ever known before, because country B or country C or D is doing likewise." We are all caught in that net; we are all having to do it, so it is said, because someone else is doing it, and so we shall go on and on until the day is reached when these devilish implements have been developed to such an extent that somebody determines that they have to be tried out. We say, in our resolution, that some central organisation or authority, whether it be the United Nations or some more perfect organisation, if that is possible, must know the military preparations of every country in the world; it must know the armament position of every country in the world and be able to say to each, "According to your needs, your armaments, your military and naval power shall be so and so." That decision must be made by a central authority, and adequate measures taken to ensure that no country steps over the line.

With all the fervour I possess I wish to emphasize the importance of this resolution, and to say that if we could get the hundred million co-operators who are members of this Alliance convinced of, believing in, and working for these principles, they would accomplish much in every country and the fear and danger of war would recede considerably. In this hall, whatever our differences may be, I believe that we are all prepared to shake hands as brothers. If we can do that here, how much more is it our duty through our Organisation, and with all the power which we possess, to make that an accomplished fact in all the countries in the world!

Mr. H. Taylor, Great Britain, formally seconded the resolution.

Mr. I. S. Khokhlov, U.S.S.R.: The Soviet delegation agrees with the decision of the Congress Committee to divide the original resolution into two parts. In our view, the resolution now before us is not sufficient and does not reflect what should be said on this question by the International

Co-operative Movement. In the interests of the unity of all the groups within the I.C.A. the Soviet delegation suggests certain amendments.

The first amendment is that the second paragraph of the resolution should read:

“ The delegates assembled at the Eighteenth International Co-operative Congress, in the face of the threat of a new war which once more menaces the life of the Co-operative Movement, reaffirm the resolution unanimously adopted by the Congress at Prague, in which it was emphasized that it is the task of co-operation more than ever before to fight for peace, using all the means at its disposal.”

The second amendment is to add the words:

“ That the countries members of the United Nations endeavour to restore the normal activities of the United Nations on the basis of the strict observance of the Charter of the United Nations,”

and the third amendment is to add:

“ That the I.C.A. and its affiliated organisations should contribute towards the establishment of normal economic and trade relations between the nations.”

These amendments are only a confirmation of the attitude which the Alliance has taken always in the past and I should like to ask that a vote shall first be taken on them.

There is also the question of the relations between the I.C.A. and the Partisans for Peace Movement. The second resolution confirms the attitude which has been adopted of neglecting this world movement, and Congress is asked to reaffirm this same attitude for the years to come. Our fourth amendment, therefore, is:

“ That the I.C.A. and its affiliated organisations support the appeal of the World Peace Congress and the conclusion of a peace pact between the five Great Powers.”

We make this suggestion having regard to the fact that this is one of the fundamental aspects of the problem of peace. We consider it necessary to confirm our attitude by moving this amendment, and we ask for a vote on it.

Mr. M. Brot, France: Having worked at Prague to achieve unanimity in the Peace Resolution, I feel it my duty to speak after our friend, Khokhlov, in order to clarify one or two points in the two resolutions before Congress, and to explain the spirit in which we have sought to persuade our Soviet friends to accept them. We divided the original text into two parts, by extracting one paragraph which is now submitted as the second resolution. In this way we hoped the first resolution would be wholly acceptable to our Soviet friends.

But they are now asking for several amendments, the first being that we should reaffirm the Prague Resolution. This is a particularly delicate point, which bears on the second resolution. The Prague Resolution ended

by inviting Co-operative Organisations, in their struggle for peace, to collaborate with other democratic Organisations. Now a certain abuse has been made of that recommendation, and the fact that the Alliance has been obliged to disassociate itself, for example, from the World Peace Movement proves that there is some misunderstanding on this point.

By approving the second resolution, Congress would approve the attitude taken by the authorities of the I.C.A. in not committing the Co-operative Movement to activities which, under the pretext of peace, have political aims. In an amendment which the French delegation will propose we ask that we should not speak only of the World Partisans of Peace Movement, but of any Organisation or Movement which under cover of peace seeks to further political aims.

As I have said, we do not accept the first amendment, which reaffirms the whole of the Prague Resolution, but in our first paragraph we have, on the contrary, recalled all the previous resolutions on Peace voted by Congresses.

The second amendment proposed by Mr. Khokhlov is a sort of "calling to order" of the United Nations, demanding respect for the rules of the Charter. On this point, in the last paragraph of the resolution, it is stated that the International Co-operative Alliance is resolved to continue its collaboration in the carrying out of the programme of the United Nations and in the realisation of the principle of its Charter.

As for stating that we are in favour of the re-establishment of normal trade and economic relations, this has been said in another resolution, and it has not been included in this text for the simple reason that the greater part of this is a repetition of the Declaration for International Co-operative Day. Our Soviet friends have not brought any criticism against the second resolution, and I would appeal to them to support this resolution, in order to show their goodwill and the unanimity of this Congress in favour of peace.

Mr. D. V. Hadjief, Bulgaria: The Bulgarian delegation cannot accept the resolution for the following reasons. The I.C.A., which unites tens of millions of agricultural and industrial workers and other members of the working population, must not be indifferent to the movement of the Partisans of Peace. Many delegates have said here that the Alliance must take constructive action. Any constructive action which is going to result in useful work is subject to one essential condition; that peace between the nations is established and maintained. Peace must and can be the result of an effort, and a lasting effort. It is our duty to do all that we can to preserve peace. The expression of the united desire of all co-operators will be achieved only if Mr. Khokhlov's proposal is accepted.

Dr. M. Voutchkovitch, Yugoslavia: The Yugoslav delegation had submitted a Peace Resolution, but when we learned that another on the same subject had been prepared, we informed the Central Committee that we would agree to a joint text. In this way we wished to give another proof of our goodwill and our desire for unity in the I.C.A.

We have read with great care the Peace Resolution which was distributed yesterday, and must admit that it contains many of the principles in our

own draft, but it omits some points which, in our opinion, are of primary importance. In our text, for example, we said that peace must be based on equality and equal rights between nations, that peace must not be the monopoly of any country or group of countries, that the struggle for peace must be closely connected with the condemnation of aggression, from whatever side and in whatever form it may come.

In view of the deep significance of these principles we propose the following amendment to the Resolution before us: that a just, lasting, and universal peace must be based upon equality and equal rights between countries; that the struggle for peace is closely connected with the condemnation of all aggression from whatever side and in whatever form it may come; that all peoples desire a universal, just, and lasting peace. We ask Congress to accept our amendment.

Mrs. Novotna, Czechoslovakia: Two world wars during the last thirty years have aroused in the vast masses in all countries the desire for peace, but there is a danger of a new world war if realistic bases for peace are not established. To-day the community faces a new attack on peace. The militarists of the United States are already waging a criminal war against the Korean people and have seized the Chinese island of Formosa. Governments in other countries are resorting to frenzied rearmament and are whipping up propaganda for a new war, their plans being prompted by their love of lies. They say that the best way to preserve peace is to arm millions of men in all countries, but history proves that frenzied rearmament and militarisation of the economy can have only one result: war.

The policy of the aggressive forces in America is precisely to prepare for a new war; they reject the proposals of the Soviet Union to reduce armaments and prohibit the atomic bomb; they take advantage of the organisation of the United Nations to mask their plans to become masters of the entire world; they try to win over the people of the whole world by lies. The determination of all peoples to seek peace has become one of the most important factors of our day. The people know perfectly well that we must struggle for peace; that it is not enough to pray for it. That is why a large movement to save peace, which has no parallel in the history of mankind, is growing everywhere. Men of the most varied races, political opinions, and ideas are united in this world peace movement, and are struggling courageously for the maintenance of an enduring peace throughout the world.

Congress should say clearly, once and for all, whether it is on the side of those who want peace or on the other side. For this reason the Czechoslovak co-operators presented to the Central Committee at Oslo a resolution for submission to Congress which appealed to all co-operators who love peace to support a pact between the five Great Powers, and proposed that the Eighteenth Congress should ask all co-operators to do everything possible for peace, for the free and progressive development of co-operation in all countries, and for peace and friendship among all nations. These are the principal ideas of the resolution proposed by the Czechoslovak co-operators. The Central Committee resolved by a majority that this resolution should not be presented here, and, by doing so, they took a quite different view from

that expressed at previous Congresses, and a position which is close to that of those who are against peace.

I ask Congress to approve the amendments of the Soviet Union, which our delegation heartily supports.

Mr. H. Taylor, Great Britain: I do not think it is possible for any delegate to have listened to the impassioned and powerful appeal made by our President in opening this debate without being deeply stirred. One thing which he has done has been to emphasize the fundamental principles upon which we have met throughout the whole course of the years, and to endeavour to remove from our minds many of those obsessions and contradictions to which we have listened at this Congress.

I wish to call attention particularly to the fact that when the Atlantic Charter was framed and when the United Nations was conceived it was in a spirit of international understanding. The United Nations was conceived, was born, and was nurtured in goodwill. Anyone who had the privilege of attending even one session of the first Assembly at the Central Hall, Westminster, must have been deeply moved by the unanimity expressed there by nearly every nation in the world. It was not the work of any one particular nation, but every nation had suffered enormously, as unquestionably every nation must suffer when there is war.

I should like to emphasize the statement which has been made again and again that we must fight for peace. I suggest that that is a contradiction in terms. We all know from experience that peace will never be secured by force of arms. If we are to obtain peace we must not fight for it, but we must earn it, we must deserve it. The spirit of man can never be finally subdued by force of arms, whether those arms be bows and arrows, or implements such as we see in the National Museum here in Denmark, or whether they be atomic bombs. Peace must be earned.

I also want to emphasize a point with which the President was compelled to deal only briefly in his speech. Who are the enemies of peace? Where are they? It is not merely a question of ideologies. I suggest to you that one of the greatest enemies of peace is extreme poverty. All of us who have followed the deliberations and documents of the United Nations will have seen figures which show that there are millions to-day living in a state of under-nourishment. Under-nourishment is a constant source of unrest, and I suggest that we have no right as co-operators to grumble and complain about our standard of living so long as there are large numbers living under these conditions. Another enemy of peace is disease. I would refer you to the work of one of the greatest men now living, Albert Schweitzer, in Central Africa, who is doing his utmost to assist everyone who needs help. The other enemy of peace is illiteracy.

I suggest that we must as co-operators do our utmost to replace ignorance by knowledge, hostility by understanding, suspicion by confidence, and, above all, fear by faith, with, underlying everything, the spirit of charity and goodwill to all men and women, who are our brothers and sisters.

Lord Williams, Great Britain: I desire to support the resolution which has been moved by the President, but I should like to say that if the amendments suggested by the delegate of the U.S.S.R. can be accepted by the Congress Committee, I hope that they will be accepted and incorporated in the resolution. I suggest that for this reason—that it will be the first time, so far as this Congress is concerned, that we have a chance of securing complete unanimity.

I have been interested in finding out for myself just what is the purpose of the I.C.A., and I should like to read this extract from the Rules: "The I.C.A. shall have the following objects . . . To propagate co-operative principles and methods throughout the world . . . To promote friendly and economic relations between the co-operative organisations of all types, nationally and internationally."

Let me confess that I have been amazed at the atmosphere at this Congress. There has not been in any motion or debate that friendly relationship which we expect among co-operators. There has been distrust and suspicion—distrust of the West by the East and of the East by the West. In my opinion, we, as co-operators, can never hope to influence world peace unless we are able to settle down, to get a very clear policy between ourselves and to work in complete harmony. If we co-operators, who have a common basis, cannot reconcile our ideologies and work together for the common good, how can we expect statesmen who have not that common ground to decide issues which affect the world so far as peace and war are concerned?

We represent a large number of nations, but apart from questions of nationality and of language there is little or no difference between us. If it were left to us as a Congress to decide this issue, I am certain that we should all plump for peace. If it were left to the peoples of the world to decide the issue, they, too, would plump for peace. Unfortunately, however, the issue of war or peace does not rest with the peoples of the world; that issue is decided by statesmen, and it will be according to the attitude of statesmen that we, the common people of the world, will have our destinies determined.

If a body such as the I.C.A., with its hundred million members, can bring a moral pressure to bear on Governments, we shall have an opportunity of averting a war which, if it comes, will be one of the greatest catastrophes of the history of present-day civilisation. To talk of peace is not enough, and resolutions on peace are not enough. We must do more than that; we must educate our statesmen as well as ourselves.

In conclusion, let me say this. Six short years ago, when the war came to an end, there was amongst the people of my country the maximum of goodwill towards the people of the U.S.S.R. and of the other allied nations. In six short years that goodwill has been dissipated. The question which we must ask is, why? The answer is a fairly simple one. It is that because of suspicion, mistrust, and fear policies have been adopted which would not normally find acceptance. It is fear which has resulted in the people of my country deciding to stand four-square behind our Government in the policy of rearmament. It is fear which is causing our people to stand

four-square behind the United Nations. If we can get the better understanding that we all want with all peoples, not only with those of what is termed the Eastern bloc, but with all peoples throughout the world, we shall do more to avert this menace than can be done by talk and resolutions.

Mr. V. Hulduban, Roumania: We hope that the resolution which we adopt will be one which will mobilise all the co-operators of the world for peace. The Co-operative Movement must not separate itself from the world movement for peace. The people of the whole world who work for the good of humanity must do everything to strengthen the peace movement; they must take their fate into their own hands and struggle against the instigators of a new war. That is why we support the amendments proposed by Mr. Khokhlov.

Mr. M. D. Lincoln, U.S.A.: The delegation from the U.S.A. support this resolution on peace. We think it should be obvious that in drafting a resolution on a subject so involved and yet so enveloping as peace, the necessity of brevity requires that we should leave out some of the detailed explanation or expansion of some ideas which may be desired. But with the able explanation of our President, specifying that the principles involved are contained in this resolution, which I believe is acceptable to the majority of the delegates present, I think that we should vote on the resolution and then get on with the work of the Congress, which we all hope and expect will outline definite programmes which, if carried out, will contribute to making real peace a reality.

Mr. G. Castagno, Lega Nazionale delle Cooperative, Italy: If we compare the proposals of Mr. Brot with the amendments proposed by the Soviet delegation, we can envisage the possibility of a unanimous vote on the Peace Resolution. At Prague we voted unanimously on a motion presented by Mr. Brot, and that was the great success of the Congress. Once more, on the proposals of Mr. Brot, I think we can have a unanimous vote.

I, therefore, ask the President to call a meeting of the Resolutions Committee and to submit to it the amendments which have been proposed, so that another attempt may be made to draft a text which the whole Congress can accept.

The President: There are no further speakers, but before a vote is taken I will read the amendments proposed by the U.S.S.R. The first amendment reads as follows:

“ The delegates assembled at the Eighteenth International Co-operative Congress, in face of the threat of a new war which once more menaces the life of the Co-operative Movement, reaffirm the resolution unanimously adopted by the Congress at Prague, in which it was emphasized that it is the task of co-operation more than ever before to fight for peace, using all the means at its disposal.”

That amendment is very clear. If it were adopted it would throw the Alliance back into the turmoil over this question which has existed ever since the Prague Congress. Whilst the amendment quotes a part of the Prague resolution, it does not quote all of it. The Peace resolution adopted

at Prague ended with the words "to take up the fight for peace in collaboration with trade unions and other democratic organisations." That is what our Soviet colleagues want to bring into the resolution before us. We cannot accept it, because if that were brought in the delegates of the U.S.S.R. and those associated with them would immediately claim that any organisation which calls itself a peace organisation, whether it be in fact a peace organisation or a political propaganda organisation (as many of the so-called peace organisations are to-day), was one with which Congress had pledged the authorities of the Alliance to work and to support. I ask Congress, therefore, to watch where it is going.

The second amendment is:

"That the countries members of the United Nations endeavour to restore the normal activities of the United Nations on the basis of the strict observance of the Charter of the United Nations."

That is a criticism of the United Nations, and is merely supporting the criticism of the U.S.S.R. I do not believe we should be helping peace by introducing that wording into the resolution.

The third amendment is:

"That the I.C.A. and its affiliated Organisations should contribute towards the establishment of normal economic and trade relations between the nations."

I suggest that the wording of the resolution is better than that of the suggested amendment.

The fourth amendment is:

"That the I.C.A. and its affiliated Organisations support the appeal for the conclusion of a peace pact between the Powers."

That again is merely propaganda from one particular quarter, and to mix it up with the resolution on peace would take away half the value of the resolution.

So far as those who have taken part in the discussion are concerned, there is very little on which to comment. I have read you the amendments from the U.S.S.R. which Mr. Khokhlov moved. The Bulgarian delegate suggested that the Alliance has been neglecting this question. I regret that on this very serious issue we should be challenged and told that we are neglecting our duty merely because we are not prepared to tie the Alliance to the peace organisations, which are promoted in the main from the East and based more on political propaganda than on peace.

We thank Dr. Voutchkovitch for his consideration in withdrawing his resolution.

So far as the remarks of the Czechoslovak delegate are concerned, there the leopard appears with its true spots. Is it helping a peace resolution, is it making for that spirit of goodwill to which Lord Williams referred, to introduce here the controversial issue of Korea and the statement that the U.S.A. are now waging war against Korea? I can only say to our friends from Czechoslovakia that if they believe that, they are living in the wilderness and do not know what is taking place in the world. I am not going

to argue that question, but it shows you the difficulties which we meet in the day-to-day, week-to-week, and month-to-month work of the Alliance in having to face this political propaganda.

We bring this resolution to Congress with the sincere desire that it may be agreed to unanimously in the cause of peace. I am sorry that the amendments which are suggested are such that we cannot accept them. Those who know the real circumstances, those who have been conducting the work of the I.C.A. since Prague, know the whole implication and meaning of the amendments from the U.S.S.R., and I must ask Congress to oppose them. Our friend from Italy says that we should take them to the Resolutions Committee and see whether we cannot get agreement. There is no need to go to the Resolutions Committee to get agreement. If our friends from the U.S.S.R. are as sincere as we are in the cause of peace they will withdraw the amendments and stand by the resolution, which does not bring in any debatable or controversial points, but lays down general principles. I sincerely hope they will not desire to force their amendments to a vote, but they will agree to accept the resolution as moved.

Mr. I. S. Khokhlov, U.S.S.R.: Lord Williams has said that we need a more objective view on all these questions, but he did not mention the most controversial fact, which is the fear and suspicion of the Soviet régime and the people's democracies which is shown by certain quarters in the governing classes of most nations. The President has said, in effect: "Do not listen to the Soviet delegation; they have a certain number of formulas, but their action is different." I appeal to you, can we judge a problem on this basis?

Let us consider our amendments which arouse suspicion. Mr. Brot has referred to the question of our relations with certain non-governmental organisations. It is said that the Prague resolution in its last words confuses the issue. Very well, we will agree to take this part separately; but the rest of our proposal should not raise any doubts, neither should the rest of the Prague resolution. I would remind you that the Prague Congress was not a communist Congress, nor a Congress where the influence of the Soviet delegation was overpowering. On the contrary, the majority of the Congress was just as it is to-day and represented the same Co-operative Movements. Do you think that this majority in the Prague Congress was a bolshevik majority? Do you think that Lord Rusholme was a bolshevik or a communist? Nobody could say that, and nobody could say that Mr. Southern is a communist; nevertheless, they accepted the Peace resolution at Prague, and the Soviet delegation agreed with them, not they with the Soviet delegation. Why are we told now, therefore, that this resolution is a bolshevik resolution? Sir Harry Gill and Miss Polley were not by any means communists three years ago; they were, I think, just as they are now, which is not communistic at all, to say the least of it. They had the same opinions then as now, but now they seem to say that Mr. Khokhlov has a certain number of clear and simple formulas, but that his actions will be very different. I do not think that that sort of approach should be adopted in an important organisation like ours. I would remind you that the I.C.A. is a non-party organisation, where all shades of opinion may be represented, and this is a very widely constituted Congress; it is not like a political party in which differing points of view do not exist. There

has never been a period in the history of our Alliance when there has been unanimous acceptance of any one point of view. If we had such a unanimous attitude we could not make progress, because progress means contradiction, discussion, and change of views. If we were simply to accept what Sir Harry Gill says we should have a dictatorship. I find his argument, therefore, wholly unacceptable. He has talked about suspicion, but, as Lord Williams has said, suspicion is something which we must eradicate.

If you wish us to reconsider our different amendments, I am ready to agree, in the hope of finding common ground, and I am even ready to alter those parts of them which aroused suspicion. But the main question is: does this Congress accept what was accepted three years ago at Prague, when the majority was exactly the same as it is now? Do you want progress, or do you want to go backwards, wherever backwards may lead? We cannot accept the view that this Congress expresses the real views of co-operation, whereas the Prague Congress expressed a communist view. I should like Congress to express its opinion on this very important point.

The President: I propose to ask the Congress to vote on the U.S.S.R. amendments by show of hands in the first instance, and then, if necessary, we shall have a card vote.

A Czechoslovak Delegate: We have a point of order. It is essential to put the amendments to the Resolutions Committee if we are to accept our responsibility towards this question of peace and try to find common ground. If we do otherwise, we shall not be accepting our responsibility towards this question and settling it in the right manner.

The President: That is not a point of order.

The Delegate: It is a request that the amendments be sent to the Resolutions Committee.

The President: I do not accept it. You have made your speeches, and there is only one way out of the difficulty: that is for the Soviet amendments to be withdrawn and so enable us to have a unanimous vote in favour of this resolution. Are the Soviet delegation prepared to do that?

Mr. I. S. Khokhlov: I consider that the ruling of the President is unfair and dictatorial. He wants to issue an ultimatum to us to withdraw our amendments. This is not in conformity with the Rules, and I appeal to Congress to say how this question shall be decided.

The President: I do not know in what way I have acted dictatorially. I simply appealed to the delegates from the U.S.S.R. to withdraw their amendments if they wanted a unanimous vote. I take it from what Mr. Khokhlov has said that they are not prepared to withdraw their amendments, so I will ask for a vote on them.

After a vote had been taken by show of hands, **The President** announced—The Soviet delegation has asked for a card vote on its amendments, and I think we must agree.

The President announced the result of the vote on the Soviet amendments as follows—for, 343; against, 634. The amendments were therefore rejected by a majority of 291 votes,

After a card vote on the resolution, The President announced that it was carried by 633 votes and none against.

The President formally submitted the second resolution on Peace and called upon Mr. Brot to move an amendment on behalf of the French delegation:—

The Congress approves the attitude which has been taken by the Authorities of the Alliance in declining to associate the I.C.A. with the so-called "World Partisans of Peace Movement," and instructs the Authorities to maintain this attitude.

Mr. M. Brot, France: To this second resolution the French delegation propose as an amendment the substitution of the following text:—

The Congress approves the attitude which has been taken by the Authorities of the Alliance in refusing to associate the I.C.A. in its actions for peace with movements influenced by political aims. The Congress instructs the Authorities of the I.C.A. to maintain this attitude.

In comparison with the original resolution, this text does not name any one organisation, but refers to all organisations or movements which may have the same character, because we think that the resolution ought not to be directed against any particular organisation. I think that all the delegations who are prepared to vote approval of the policy of the I.C.A. will support our amendment because it is more general and is not aggressive towards anyone.

Mrs. M. Buresova, Czechoslovakia: The Czechoslovak delegation cannot agree to the resolution before us, which recommends the I.C.A. to adopt a negative attitude to the movement of the World Partisans of Peace. It is only this peace movement, which organises the resistance of millions of people to war, which as yet has prevented the warmongers from using the atom bomb against the people of Korea as they threatened to do. It is thanks to this powerful resistance of millions of people that the warmongers have not yet spread the flame of war everywhere. We share the opinion expressed by several speakers that it is not enough merely to talk about peace or to adopt resolutions, but that it is necessary to act in the spirit of the resolutions which we adopt. We can see the effect of doing so from hundreds of examples of the effect of the Partisans of Peace Movement in capitalist countries, where dockers have refused to unload American arms and are doing everything to stop the movement of war material. There is also the case of the young French girl who lay down in front of a train to stop it.

It is necessary to stand up against war propaganda, war preparations, and hysteria. That is why the I.C.A. cannot maintain its present position and policy, but must, with the co-operative organisations of the whole world, actively support the peace movement and co-operate with all the democratic organisations which are fighting for peace. In the fight for peace

we must implement the slogan of the pioneers of the Co-operative Movement, who said that what one man cannot do alone all men working together will find easy. That is why we propose that the I.C.A. should go forward with the trade unions and the workers' movement generally, so that together we may succeed in maintaining peace, because it is in the interests of all the honest people of the world that peace should be maintained.

Mrs. M. I. Gorelovskaya, U.S.S.R.: I protest against the proposals made by Mr. Brot on behalf of the French delegation, because the independence of the Alliance is laid down in Article 7 of the Rules. Secondly, I protest against this resolution which says that we should have no relations with the World Partisans of Peace movement. If to-day four hundred million people have signed the petition in favour of a Five Power pact—in Italy more than 12 million, in France 7 million, in England 500,000, in Japan more than 5 million, and very many people in other countries—what is to be our position? I appeal to the women here. About three days ago, women co-operators, at the Conference of the International Co-operative Women's Guild, proclaimed their unity in the fight for peace and expressed their wish for a pact between the five Great Powers. At that Conference the women were thinking of their homes and of their children, and of preventing them from being destroyed or injured by war. It will be a shameful page in our history if we accept a resolution which says that we must not unite for peace.

The President: In principle, the amendment of the French delegation makes no great change in the resolution and we are prepared to accept it.

Dr. M. Bonow, Sweden: I wish only to say that I agree with the amendment proposed by Mr. Brot and just read by the President. In my opinion, the new wording does not materially alter the original resolution, but widens its scope. The main principle embodied in the resolution is just the same, and on behalf of the Swedish delegation I have pleasure in supporting it.

The President, having ascertained that Congress was prepared to vote on the amended resolution, took the vote by show of hands and **declared the resolution carried.**

AMENDMENTS TO THE

Proposed by the

FORMER TEXT.

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 inquiries on problems of vital importance to the Movement; and by collecting co-operative statistics.*
- (g) *By promoting the creation of International Co-operative Auxiliary Organisations for Trading; Production—Agricultural, Industrial, and Artisanal; Banking; Credit; Assurance; as well as for other sectors of economic activity; and by maintaining close relations with all such Auxiliaries.*
- (h) *By collaborating to the fullest extent with all United Nations Organisations, and with other Voluntary and non-Governmental International Organisations which pursue aims of importance to Co-operation.*
- (i) *By any other suitable and legal method.*

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.*

RULES OF THE I.C.A.

Central Committee.

PROPOSED TEXT.

Article 4. Methods.

(b) By sending delegations to visit the Movements in all countries, with the special object of studying the Movements, of exchanging experiences, and of giving to the Movements such advice and guidance as they may desire, or which the I.C.A. may consider desirable.

Other clauses as in former text.

Article 13. Obligations of Members.

(a) (New Clause) to observe the aims and policy of the I.C.A. and to conform activity to the Principles of Rochdale as defined in Article 8.

Clauses (a) to (g) of former text follow, unchanged, as (b) to (h).

FORMER TEXT.

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 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

Collective Membership.

III. Collective membership—or the admission of a National Union or Federation with all its constituent members on a basis that accords the privileges of membership to each of the latter—shall be acquired by a minimum subscription of £80 in respect of the Union or Federation concerned, a further £40 in respect of each National Organisation included in its membership, and a contribution for each Society included in its membership in accordance with the following scale:—

£	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 per annum.

PROPOSED TEXT.

Article 16. Subscriptions.

Every Organisation affiliated to the I.C.A. shall pay an annual subscription in proportion to its development and economic importance and according to the scales laid down in Article 17.

Second and third paragraphs as in former text.

Article 17. Rate of Subscriptions.

The word " minimum " to be deleted throughout the Article.

All scales of subscription in paragraphs II and III, also the maximum obligatory subscription in paragraph IV, to be increased by 20 per cent.

FORMER 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 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.

PROPOSED TEXT.

Article 20. Powers of the Congress.

- (e) To amend the Rules by a majority of two-thirds of the votes represented.
 - (h) To decide upon the dissolution of the I.C.A. by a majority of two-thirds of the votes represented.
- Other clauses as in former text.

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, excluding the President of the I.C.A.

Remainder of Article as in former text.

Article 27. Duties of the Central Committee.

(c) To appoint the Director and General Secretary of the I.C.A. and to fix their remuneration.

(j) (New Clause) To appoint the Trustees and if thought expedient to do so to remove the Trustees or any of them from time to time and to appoint new Trustees in the places of any Trustees who shall die, resign, or be removed as aforesaid.

(k) (New Clause) To make or authorise on behalf of the I.C.A. all purchases, leases, sales, exchanges, mortgages, and other matters referred to in Article 36(b) hereof.

Other clauses as in former text.

FORMER TEXT.

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 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.*

PROPOSED TEXT.

Article 29. Election of Officers.

The Central Committee at its meeting immediately after each Congress shall elect 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 31. Duties of the Executive.

(New Clause) To appoint the principal assistants of the I.C.A., apart from the Director and the General Secretary, and to fix their remuneration.

Other clauses as in former text.

NEW RULES.

In accordance with English law the following Rules are adopted:—

Article 35. Trustees.

- (a) There shall be not less than two nor more than four Trustees of the I.C.A.
- (b) Each Trustee shall hold office until death or resignation or until removed from office by the Central Committee.
- (c) The property of the I.C.A. shall be vested in the Trustees for the time being and shall be dealt with by them as the Central Committee shall from time to time direct.
- (d) It shall be the duty of a person who ceases to be a Trustee and all other persons concerned from time to time to do such acts and things and execute such instruments as may be necessary to enable the foregoing provisions to have effect.
- (e) The Trustees shall be indemnified against risk and expense out of the property of the I.C.A.

Article 36. Investment of Funds.

(a) So much of the Funds of the I.C.A. as may not be wanted for immediate use or to meet the usual accruing liabilities may with the consent of the Central Committee be invested by the Trustees in any of the following ways:—

On deposit or current account with Co-operative Banks or other Co-operative Organisations or
in any investment in which Trustees are for the time being by law authorised to invest trust funds.

Dealings in Land.

(b) The I.C.A. may purchase or take on lease in the names of the Trustees any land or premises and may sell exchange mortgage or lease such land and premises and may build upon such land (with power to alter and pull down buildings and again rebuild) and a purchaser assignee mortgagee or tenant shall not be bound to inquire as to the authority or propriety of any sale exchange mortgage or lease by the Trustees and the receipt of the Trustees shall be a discharge for all moneys arising from or in connection with the sale exchange mortgage or lease.

Article 37. Borrowing Powers.

The Central Committee shall have power to borrow for the purposes of the I.C.A. such amount of money either at one time or from time to time and at such rate of interest and in such form and manner and upon such security as shall be determined by the Central Committee and thereupon the Trustees shall at the direction of the Central Committee make all such dispositions of the property of the I.C.A. or any part thereof and enter into such mortgages (whether legal or equitable) bonds agreements or other documents in relation thereto as the Central Committee may deem proper for giving authority for such loans and interest.

DISCUSSION ON AMENDMENTS TO RULES.

The President: The Central Committee have delegated Mr. Southern to explain and move the amendments to the Rules which they recommend.

Mr. R. Southern, Great Britain: I shall deal with the proposed amendments as a whole, because I do not think there will be any difference of opinion about their acceptance. They were agreed to without dissent by the Executive and by the Central Committee.

The amendment to Article 4, paragraph (b), is simply textual and completes the purpose for which the I.C.A. may send delegations to National Co-operative Movements.

The amendment to Article 13 introduces a provision which has not previously appeared in the Rules, but there obviously has been a deficiency here which it is sought to make good.

The amendment to Article 16 deletes the minimum subscription basis and establishes a firm basis of subscriptions.

The amendment to Article 17 is of importance, in that it introduces a 20 per cent increase in all membership subscriptions. That increase is necessary in order to make provision for the commitments of the I.C.A. The most immediate and most expensive provision will be for new offices, in which the staff will be better able to conduct its work. The financial aspect of this provision is such that the existing reserves may well disappear, showing the need for an immediate increase in the subscription provisions.

There are then two amendments to Article 20, but the Central Committee now desire to withdraw the first proposals, which would require a majority of two-thirds for the amendment of Rules. The Committee feel that a two-thirds majority is too high, and may well result on some occasions in a stalemate. I, therefore, ask Congress to accept the request of the Central Committee and allow the amendment to paragraph (e) of Article 20 to be withdrawn.

In Article 26 the new provision concerning the President is consequential to amendments to Article 29 which I shall mention later.

The new provisions in Article 27 are linked with the new Rules, which are proposed as a matter of necessity. If the I.C.A. is to own property, it must have the necessary powers under English law to do so. Additional Rules have, therefore, been framed to provide for the holding of property and of funds, and are required simply by reason of the provisions of English law.

In Article 29 a new principle is introduced. The intention was to allow the election of a President who is not a member of the Central Committee. As the amendment stands, it would appear to relate also to the Vice-Presidents, but the Central Committee ask Congress to understand that the proposal concerns only the President.

The amendment to Article 31 simply provides for a transfer of functions from the Central Committee to the Executive, leaving the Central Committee responsible for the appointment of the Director and General Secretary, but placing on the Executive the responsibility for the appointment of other staff. We think that the change is appropriate, in that it leaves the Central Committee with the responsibility for the two senior officers and allows the Executive, which meets much more frequently, to deal with other staff positions.

With that introduction I have pleasure in asking Congress to approve the amendments, with the withdrawal of the clause in Article 20 requiring a two-thirds majority to amend the Rules, and with the qualification that the amendment to Article 29 relates only to the President.

Mr. K. Cerovsky, Czechoslovakia: We cannot agree to the amendment for increasing subscriptions. The I.C.A. must have a proper financial basis, but we cannot agree to an increase of 20 per cent because the situation of the co-operative organisations in capitalist countries is not a particularly favourable one, materially or financially. Mr. Barbier has said in his paper that in view of war preparations in the capitalist countries the situation of Co-operative Organisations is likely to deteriorate still further. The living standard of the members of Co-operative Organisations will go down even further than it has already done, because prices are continually rising. It is, therefore, impossible to agree to an increase in subscriptions.

The Alliance has another and better possibility of strengthening its finances. The basis of membership can be enlarged by accepting Organisations which have applied for membership and will be very willing to pay their subscriptions. In the first place, it is the duty of the I.C.A. to admit them and, in addition, it will help to solve the question of contributions. By refusing membership to Poland and to the co-operative organisations from Hungary, the German democratic republic, and Albania, also by refusing collective membership to Bulgaria and Roumania, the majority in the I.C.A. are weakening not only its position and prestige but also its financial basis. This is a form of behaviour which millions of members of the I.C.A. will not be able to understand and will condemn.

The other proposal which we must reject is that of changing the requirement for the alteration of the Rules from a two-thirds majority to a simple majority. We think that it would be wrong not to ask for a two-thirds majority, and would be less democratic. We, therefore, ask that these two amendments be not adopted.

Mr. O. Gaeta, Lega Nazionale delle Cooperative, Italy: We proposed some amendments to bring the Rules more into conformity with co-operative democracy, but the Central Committee rejected the amendments and we do not insist on them. I wish, however, to make two observations.

The first is that we are asked to amend Article 29 in a way which will give the Central Committee the right to elect the President of the Alliance from outside the membership of the Central Committee, but will exclude

that right as regards the two Vice-Presidents. We are in favour of this because we believe that men who have given their whole lives to the Co-operative Movement could and should, at the end of their active career, still be at the disposal of the International Co-operative Movement to give the benefit of their experience and wisdom.

With regard to the new Rules and amendments which are proposed to permit the Alliance to acquire property in accordance with English law, we have nothing to say.

We agree with the Czechoslovak delegation in thinking that subscriptions should not be increased, because, as has been rightly pointed out, there are Movements in Western Europe which are not highly developed, and which have heavy expenses and insufficient income, at least in their own opinion. Subscriptions which are already too high for these Movements cannot be increased without making it impossible for them to fulfil their obligations to the Alliance. We must, therefore, examine the possibility of other sources of funds.

The principle observation which we have to make concerns the amendments to Article 4 and Article 13, which cause us both perplexity and fear. We are perplexed because of the transformation which is envisaged in these Articles, of the duties and new obligations which are imposed on the affiliated Organisations. It has always been maintained in the Alliance that National Co-operative Movements must not force their members to follow a predetermined policy, but that they must be free to choose their own policy and their politics. It is now suggested that on the international plane obligations should be imposed which were not contained in the original Rules of the Alliance, and which change, in the political and perhaps the party sense, the organisational structure. Our fear is that these provisions and amendments, which tend to give a greater power of exclusion from membership, may give rise to divisions and more divisions in the Co-operative Movement, which has always been united. We of the Lega are determined to maintain unity, and we make known our anxieties and fears because you are our brothers. Divisions and hatred should have no part in the International Co-operative Movement.

The President: There are no further speakers, so I call on Mr. Southern to reply.

Mr. R. Southern: One would expect that, in relation to a financial resolution, those who might have difficulty in meeting their obligations under it would have been the ones to say so. Our Czechoslovak friends are of the opinion that in the capitalist countries there is so much poverty that the increased subscription cannot be faced. I do not think we can accept the Czechoslovak view as being a knowledgable one in so far as the affairs of what are called capitalist countries are concerned. The countries from which our Co-operative Movements come, however, are not properly described by that word. We live in countries of mixed economy, and I know that there is a sincere desire on the part of our Organisations that the work of the I.C.A. shall be properly supported financially, so as to maintain its activities. It is simply because prices are going up that more money is required. Prices are going up in Britain as elsewhere, and it is necessary

for the Alliance to make provision for increasing costs, increases in wages, and so on. Further, this is quite the wrong place in which to introduce the Polish question or the Eastern European question. We know that the Alliance could collect large sums of money from these sources if it desired to do so, but the Alliance cannot possibly be ruled by cash considerations alone. We are, therefore, concerned with present members and with the obligations of present members, and on that basis a 20 per cent increase in subscriptions is, we think, unavoidable.

I wish to make it quite clear that the Central Committee desire to withdraw the proposal which would require a two-thirds majority for the amendment of the Rules, and I hope Congress will consent to the withdrawal of that amendment.

Mr. Gaeta lent support to the proposal to amend Article 29, which would leave the President independent of membership of the Central Committee and of any national delegation. With regard to Article 4 and Article 13, I do not see what ground there is to fear an obligation to observe the aims and policy of the I.C.A. and to conform to its principles. There is no reason for any genuine Co-operative Organisation to feel that the principles of Rochdale are not applicable to its affairs.

The amendments were put to the vote *seriatim*, with the exception of the new Articles 35 and 36, which were voted upon together, and **The President declared them all adopted.**

Congress agreed to the withdrawal by the Central Committee of the suggested amendment to Article 20 (e).

ELECTION OF THE CENTRAL COMMITTEE.

The President: We now come to the election of the Central Committee, and I will ask Miss Polley to make an announcement.

The General Secretary reported a number of changes in the printed list of those nominated for election to the Central Committee in accordance with the Rules, also the names of the Soviet nominees which were only handed in at Copenhagen.

She also asked Congress, in electing the nominees whose names had been circulated and/or announced, to authorise the Central Committee to co-opt additional members who might later be nominated by affiliated Organisations, provided all such nominations were strictly in accordance with the Rules—this authority to apply also to members elected by Congress who might subsequently be replaced by their Organisations.

On a show of hands, **The President declared** that the General Secretary's Report was accepted and the following members elected to the Central Committee:—

Argentina	B. Delom.
Austria	A. Korp, A. Vukovich.
Belgium	J. Papart, W. Serwy.
Bulgaria	P. Takov.
Canada	A. B. Macdonald.
Czechoslovakia	K. Cerovsky, P. Drocar, Mrs. B. Machacová-Dostálová, K. Nepomucky, J. Ploskonka, V. Sekac, A. Zmrhal.
Denmark	J. Th. Arnfred, A. A. Drejer, L. Fabricius.
Finland	L. Hietanen, M. Mustonen, O. Stadius, J. Alanen, Y. Kallinen, J. Laakso.
France	M. Brot, A. Charial, A. J. Cleuet, E. Couvrecelle, A. Cramois, M. Degond, G. Fauquet, G. Gaussel, P. Ramadier, R. Vaxelaire.
Germany	G. Dahrendorf, H. Everling, E. Hasselmann, C. Schumacher.
Great Britain	J. W. Blower, J. M. Davidson, G. R. Douglas, H. M. Gibson, R. G. Gosling, C. McAleese, G. L. Perkins, R. Southern, H. Taylor, C. R. Westlake.
Greece	P. Roussos.
Holland	J. J. A. Charbo, J. Roos.
Iceland	V. Thor.
India	H. L. Kaji.
Israel	J. Efter, Z. Onn.
Italy	O. Bardi, G. Cerreti, I. Curti, V. Grazia, A. Sbandati, G. Tolino, P. Foresi, L. Malfettani, L. Montagna, Miss L. R. Sanseverino.
Norway	S. Nilssen, P. Sjøiland.
Roumania	V. Hulduban.
Sweden	C. A. Anderson, S. Apelqvist, M. Bonow, A. Gjöres, A. Johansson, A. Oerne, N. Thédin.
Switzerland	Ch.-H. Barbier, H. Rudin, M. Weber.
U.S.A.	E. Burrows, H. A. Cowden, M. D. Lincoln, A. J. Smaby, J. Voorhis.
U.S.S.R.	I. P. Akhremchik, Mrs. M. I. Gorelovskaya, I. S. Khokhlov, K. Khudaiborduev, A. P. Klimov, I. S. Krayushin, S. F. Malikov, G. A. Nellis, L. A. Rukhadze, N. P. Sidorov.
Yugoslavia	M. Voutchkovitch.

RESOLUTION ON AGRICULTURAL CO-OPERATION.

The President: I propose now to take the resolution which was approved by the Conference on Agricultural Co-operation. Mr. Drejer, chairman of the Conference and of the new Auxiliary Committee, will move the resolution, and Mr. Efter, of Israel, will second it.

The resolution is as follows: —

This Congress notes with pleasure the work towards the establishment within the I.C.A. of the Permanent Auxiliary Committee on Agricultural Co-operation;

Congress recognises the development in many lands of the co-operative form of organisation between farmers and agricultural workers, and pledges itself to see the growth of this work wherever possible as a method of improving the conditions of the peoples of the world;

Congress is of the opinion that it is in the interests of the peoples of the world that a strong and virile collaboration should develop between those engaged in agricultural work and organised in the co-operative form within the I.C.A., and that there should be a greater development of economic relationships and collaboration between co-operative agricultural producers and their Co-operative Organisations and Consumer Co-operative Organisations.

Congress pledges itself to encourage Agricultural Co-operative Organisations entitled to membership to take an active part in the future work of the I.C.A. Auxiliary Committee on Agricultural Co-operation.

Finally, Congress directs the leading organs of the I.C.A. to take all necessary measures so that collaboration of Consumers' and Agricultural Co-operative Organisations on the national and international plane may find a steady basis in the I.C.A. for the organisation of the fight for the economic requirements of the people for economic progress and freedom.

Mr. A. A. Drejer, Denmark: I have pleasure in presenting this resolution and in moving its adoption. On Tuesday of last week the Permanent Auxiliary Committee on Agricultural Co-operation was formally constituted, and this marked the conclusion of the work of the Provisional Committee. Mr. Norman Wood, of Great Britain, was elected Vice-Chairman of the Permanent Committee, Miss Polley was elected Secretary, and I, myself, was elected Chairman. I hope this resolution will be adopted unanimously.

Mr. J. Efter, Israel: In seconding this resolution, I wish to point out that the Israel delegation had put forward a resolution on the relationship between the Agricultural Producers' Co-operative Movement and the Consumers' Co-operative Movement, calling for collaboration in the work of these two Movements. The Central Committee decided to submit this resolution to Congress and copies have been circulated, but in view of the fact that the resolution now before Congress, in its third paragraph, calls very clearly for this collaboration between the two Movements, and because the last paragraph of the resolution says: "This Congress directs the leading organs of the I.C.A. to take all necessary measures so that collaboration of Consumers' and Agricultural Co-operative Organisations on the national and international plane may find a steady basis in the I.C.A. for the organisation of the fight for the economic requirements of the people for economic progress and freedom," the Israel delegation does not see the need for a special resolution on this point and withdraws the resolution submitted in the name of Hevrat Ovdim.

Mr. Norman Wood, Great Britain: The speech made by Mr. Cluck, of the U.S.A., yesterday morning represented a breath of rarefied mountain air in an atmosphere which had become cloudy with the smoke of ideologies and unreal in relation to the constructive work of the I.C.A. In the same way, this resolution dealing with agriculture represents something new in this morning's discussion. Those of us who are active on the industrial and consumers' side of the Co-operative Movement are often unmindful of the progress made by the Agricultural Co-operatives and the place which they occupy in national economies, so that it would not be out of place to give a few relevant facts.

In 14 countries the co-operative proportion of the national grain trade is from 30 to 90 per cent. This includes three out of four big international grain countries. In the U.S.A. the co-operative proportion is 35 per cent, in Canada it is 53 per cent, and in Australia 55 per cent. In 15 countries the co-operative proportion of the dairy trade varies from 20 to 90 per cent; in Denmark it is 90 per cent, in New Zealand 80 per cent, in the Netherlands 75 per cent. In the U.S.A. between 50 and 60 per cent of the fruits are co-operatively marketed, and 12 countries market through co-operative channels from 20 to 90 per cent of their eggs and meat. Admittedly these are estimates, but they show the importance of co-operation in the marketing of the principal agricultural commodities in Europe, Australia, New Zealand, and North America. In a score of countries the leading agricultural products are marketed to the extent of at least 50 per cent through co-operative channels.

This Congress is largely representative of consumers, but I think that, in fairness, we should recognise that farmers and agriculturists generally, whilst perhaps not displaying the same outward enthusiasm for a co-operative Utopia as we do, have in relation to the respective national figures for agricultural production and the retailing of consumer goods achieved more in their own sphere of co-operative enterprise than we as consumers have in ours.

It is a matter of regret that the greater proportion of Agricultural Co-operative Societies and many of the large national organisations of producers are not yet affiliated with the I.C.A., which, if it is to be really effective, must comprise all the principal bodies of co-operative life. I agree with the opinion expressed by Mr. Efter, namely, that the Agricultural Co-operative Movement and the Consumers' Movement are based on the same principles, and both should be convinced that these principles have not only a commercial but a social value which warrants their universal adoption. It is not competent for the Alliance to control the machinery of inter-trading; the peculiar service which the I.C.A. can render to economic life in general, and to its own constituents in particular, is to place the relations of consumers and producers on an organised basis, and it is then for the bodies concerned to arrange supplies and to approach the solution of the problem of a just price.

Mr. J. Fauchon, France: The French National Federation of Agricultural Co-operation, which represents almost all the French Agricultural Co-operative Societies, has very willingly associated itself with the creation of this Permanent Auxiliary Committee for Agricultural Co-operation,

which in our opinion must be closely associated with the creation, in our different countries, of National Inter-Co-operative Committees which will support and contribute to the activity of the I.C.A. Committee.

The principal task of this Auxiliary Committee, we think, must be a very positive one, because the fields in which there can be relations between Agricultural Co-operatives and Consumers' Co-operatives are very numerous. I would mention only a few.

First of all, I should like to speak about the essential problem of the development of Agricultural Co-operation in the under-developed regions of the world. In fact, in these regions, as Mr. Colombain told us at the International Co-operative School last week, the structure of Co-operatives is not always very well defined and only by inter-co-operative action can they carry out effective work. On the other hand, we firmly believe that the rôle of such a Committee will contribute greatly to an improvement, on both the national and the international plane, of relations between Consumers' and Agricultural Co-operatives. We do not want to rest content with words, but desire, especially in such a very important field, effective action. I would also mention parliamentary action which is often necessary to enable Agricultural as well as Consumers' Co-operatives to resist the attacks and assaults which they have to face in many countries.

The new Committee has also a great task in the field of agricultural marketing whether in fighting speculation by joint action, or by promoting long-term agreements between Agricultural Producers' and Consumers' Co-operatives for improving the quality of agricultural products by generalising standards and labels which certain Agricultural Co-operatives have introduced. On the international plane, too, we believe the work of such an International Committee as well as that of the Inter-Co-operative Committees on the national plane, can eventually improve the quality of agricultural products on the one hand, and, on the other, can stabilise agricultural prices, for in our opinion it is perhaps less important for agricultural producers to have high prices at certain times and low prices at others, than to produce a steady supply of goods at a stable price. This will lead to the stabilisation of the markets which is essential for the planning of production.

Finally, an important task for our Agricultural Co-operatives as well as our Consumers' Co-operatives is the improvement of consumer facilities in rural districts, either by the setting up of Consumers' Societies in rural areas which, in certain countries, are not sufficiently developed, or by the adoption of a common policy with regard to the products essential for agriculture, particularly fertilisers, oil-cake, and binders. We think that in this way our Organisations could play an effective rôle in the struggle against speculation which is the rule in certain markets.

Finally, we wish to associate ourselves again with the proposal made by Mr. Johansson to fight together against all cartels and trusts which tend to consolidate at the expense of consumers the positions which they gained during the war.

The President took a vote by show of hands and declared the resolution carried.

Close of the Fifth Session

SIXTH SESSION

Wednesday Afternoon.

THE DEVELOPMENT OF CO-OPERATION
IN THE WORLD:
ITS DIFFICULTIES AND ITS CHANCES.

By MR. CH.-H. BARBIER, SWITZERLAND.

"We are confronted by new needs. If we know how to meet them, there can be a marvellous future for Co-operation and for humanity. If we do not succeed in meeting them we are doomed to irremediable decay, and with us, perhaps, civilisation itself."

Louis de Brouckère.

Preliminary Remarks.

The following report does not constitute an exhaustive or even a systematic study of the subject.

A really detailed study should include an enquiry into the present development of Co-operation in the world, or at least a picture of it; it should also present a systematically classified list of the unavoidable difficulties which obstruct and of the outstanding opportunities which favour development.

Nothing like this will be found in the pages which follow. An enquiry would have been very extensive, since it would have involved rewriting the book published in 1945 by the International Labour Office on "The Co-operative Movement and Present-day Problems" by adapting it to the problems and data for 1951. Neither has this Paper the ambition to take up again, with similar adaptations to modern times, the treatise published in 1927 by Professor Georges Lasserre on "Obstacles to the Development of the Co-operative Movement." It has in view a less systematic and a more immediately useful aim. After some general reflections, showing the present position of Co-operatives and establishing a link between the Congresses of Zurich and Prague and the present one, it groups—under three headings and unsystematically—some observations on the most serious obstacles and the most outstanding opportunities which to-day present themselves to the Co-operative Movement. A Resolution summarises the recommendations which it seems possible to offer to the Movements affiliated to the I.C.A.

I. General Considerations.

Co-operation and State and Public Authorities.

Co-operators have recognised for a long time that ideas and facts are in a constant state of evolution, and a glance at the Resolutions of the Congresses of the I.C.A. shows that they have continually emphasised this point.

Well before 1933 their attention was drawn to interventions of all kinds. For economy which pretended to be liberal (thereby revealing a complete confusion of the ideas of freedom, anarchy, and the dictatorship of wealth) has always been subject to double pressure: that of its irresistible evolution towards an economy of monopolies and the dictatorship of the trust and, on the other hand, that of more and more frequent intervention from the public authorities, themselves subject to pressure from interested groups. For many of those who are opposed to the theory of State direction are not, in practice, averse to profiting from it.

Since 1933, however, the position has completely changed. The Co-operative Movement not only felt itself threatened in the more or less near future, but it has recognised its imminent danger. The Special Conference convened by the I.C.A. at Basle on 9th and 10th June, 1933, met in a dramatic atmosphere. Co-operators were then seen to be rallying instinctively around the principles which they considered their *raison d'être*, as around a flag which they were prepared to defend to the end. The Executive reaffirmed "its firm desire to maintain the voluntary and democratic character of the Co-operative Movement, which is open to all, irrespective of faith or political opinion"; it protested "against any interventions on the part of the State or any authority tending to restrict freedom, to suppress the rights of voluntary organisations to develop under their own control or to interfere in their administration." As for the Conference itself, it passed a resolution declaring, among other things, ". . . the unshakable will of the National Organisations grouped within the International Co-operative Alliance to uphold, against any adversary, the voluntary and autonomous character of the Co-operative Movement, as well as the essential unity of their international organisation and complete freedom to pursue their economic aims according to their own methods and under their own control."

In 1934, the London Congress, on the report of the Special Committee appointed to enquire into the Application of the Rochdale Principles, strongly recommended the affiliated Movements to respect strictly those principles, which, according to the Resolution, should be considered as a co-operative creed. Here, again, co-operators rallied round their flag.

Finally, in 1937, the Paris Congress received the paper of the President of the I.C.A., Mr. Väinö Tanner, on "The Place of Co-operation in different Economic Systems," which presented a very precise and subtle analysis of the prevailing systems, their methods of intervention in economic life, and their attitude towards Co-operative Movements. The Congress passed a Resolution stating that ". . . Co-operation . . . is possible and necessary in all the different kinds of economic and political systems." In all these

economic systems it added, the Co-operative Movement "demands for itself complete freedom of activity on the basis of its own principles, and repels all efforts to control politically its activity." The Congress further declared "that the Co-operative Movement, wherever a regulated economy in some form or other has been put into power, rejects measures that hinder the national or international development of its activity, just as it rejects any efforts in a socialist economic system to concentrate the whole economic activity in the hands of public bodies."

Thus one sees that the work of the pre-war Congresses had clarified the position of the Co-operative Movement with regard to various interventions on the part of the State. The multiple and strict controls resulting from war-time economy, the ever-tightening grip of the public authorities on the economy did not, therefore, take co-operators by surprise. It was sufficient for them to continue their self-examination.

But, from a closer view, this pre-war self-examination might seem rather rudimentary. Faced with more and more obvious interventions of the State in economic life, the Co-operative Movement adopted the clear but, in the circumstances, rather short-sighted attitude of Diogenes towards Alexander: "Get out of my sun!" It claimed freedom to develop.

This was a healthy reaction; if you like, the defensive reflex of an organism which wanted to live; but, as we said before, it was rather rudimentary. It gave the impression that it was the body defending itself rather than the brain thinking, that it was the reactions of the Co-operative Movements rather than Co-operation reflecting upon its doctrine.

In fact, to say that "wherever a regulated economy in some form or another has been put into power" the Co-operative Movement "rejects measures that hinder the national or international development of its activity," was this not taking sides deliberately with liberalism?

The theorists of Co-operation, however, saw further.

We need not recall how Professor Edgard Milhaud and Professor Bernard Lavergne had for a long time drawn attention to the different types of public economy, to the variety of its structures, even to its nature and functions as an economy of service. Even earlier, at the British Congress at Paisley in 1905 Hans Müller, then General Secretary of the I.C.A., made a declaration on municipalisation and nationalisation, a declaration recently recalled by Mr. James Peddie and one which retains its interest to-day. In 1924, Charles Gide, who cannot be suspected of any sympathy for State control, prepared a lecture for the Collège de France on "Relations between Co-operation and the Public Authorities." Actually the lecture was never delivered but it was published. In it, he says "Co-operators are not anarchists and do not contest the need for authority, discipline, and law. But they seek, as far as possible, to replace arbitrary authority by agreed authority and to bring the State to a contractual association, which is characteristic of democratic evolution. That is why Co-operation refuses to let itself be 'State-ised,' but, on the contrary, it tries to co-operatise the State."

Charles Gide clearly understood that the public services (post, telegraph) and "long-term" enterprises "designed for prosperity rather than for the present generation" should be left to the State. Yet he said, "one might envisage their partial co-operatisation by giving them an independent administration and by allocating places on the Boards of Directors for representatives of the consumers, the users, and the employees. . . . But State action to-day does not confine itself to these great public services: in all countries, in some more than in France, the State has taken over innumerable industrial and business enterprises either in the public interest or for fiscal reasons, or in order not to leave them in the hands of private capitalists. Now Co-operatives consider themselves just as capable of managing these enterprises as are the State or private companies: it is quite conceivable that they would do so with more competence than the State and with less desire for profit than the capitalists. Unfortunately, what they lack are the necessary capital resources. But, to overcome this difficulty, a mixed system of collaboration between the State and Co-operation could be established, the State supplying the necessary capital and retaining a share of control in the administration appropriate to its contribution. That is the system which our colleague Bernard Lavergne calls a public utility."

Further on, in discussing municipal enterprise, Charles Gide conceded to municipal authorities the exploitation of all general and essential enterprises: water services, lighting, urban transport, burials, and, he added, "Sooner or later even bread and milk will be included in municipal services." "The desirable solution," he concluded, "is, therefore, to establish a division of work between these three types of enterprise: the public, the individual, and the co-operative. The economic world is vast, to-morrow it will be even more vast, and there will be a place for every form of enterprise."

From this quotation one can see how Gide's thought had evolved from the time when, at the Fourth French Co-operative Congress, in 1889, he himself formulated the famous programme "the three stages." His vision was too clear and his objectivity too great for him to witness important changes in the economic order without drawing conclusions from them.

But it was not until 1935, with the publication of "The Co-operative Sector" by Dr. G. Fauquet, that bold and new ideas, subtle and precise, with the force of directives, clarified the problem. In a chapter of five short pages the former chief of the Co-operative Service of the I.L.O. formulated the essentials of the theme "State-ism and Co-operation." The following is an extract from this chapter, which merits to be quoted in full:—

"As soon as co-operators take a positive view of the realities of the past and present, accept the idea of mixed economies and reject, in the abstract, single-system economies, as soon as they realise that economic evolution is the succession of mixed economies of varied composition, they have no fundamental objection to measures decided by the public authorities, either to assure the functioning of public services or to take over the whole regulation of the economy. They may even recognise, with satisfaction, that the aspirations of these measures join with their own efforts to substitute the idea of organised service for that of the struggle for profit and domination.

“ Co-operation may also find in public action an effective means of controlling those parts of economic processes which are strongly held by capitalist economy and which co-operative economy cannot, or can only with difficulty, conquer . . . Co-operators can also give their adhesion to forms of enterprise which constitute, as it were, a middle course between public and co-operative action (‘ public utilities,’ assignment to co-operatives of functions of public interest).

“. . . The danger would be that, believing that public action offers an alternative and swifter road for the pursuit of their aims, co-operators might be tempted to forget that there are limits to the efficacy of compulsion and that precisely where compulsion fails Co-operation succeeds, bringing with it, in addition, human and moral values.

“ Doubtless, the progress of Co-operation, depending as it does more on people than on things, is inevitably slow. It requires a patient effort of education. But in the sphere of economic and social life which properly belongs to Co-operation there is no easier or shorter way to salvation. . . .”

The most fundamental problem, therefore, which faced co-operators and the I.C.A. after the war was to define clearly the position of Co-operation in relation to a public sector—partly state-ised—which had become tremendously important and which was also claiming a whole programme of victories in various countries. Co-operators had to be clear in their consciences and minds, future ways had to be defined, and two misunderstandings had to be completely dispelled.

Those who accuse Co-operation of being “ bourgeois ” and of having no other programme than the absence of programme of liberalism, should be clearly shown that, in face of the great efforts of organisation of national economies and of world economy, Co-operation, essentially an organiser, has not its place at the side of liberalism, which it out-dated and repeatedly scoffed at by events. It is a question of showing how ready Co-operation is to offer its principles, its methods, and its action for the construction of a human and fraternal economy.

Those who accuse Co-operation of being “ communist ” and of planning total State control of economy, must be told emphatically that Co-operation owes no allegiance to any political party, it is not a servant to any ideology, and that, if it is desirable that the public sector and the co-operative sector shall undertake complementary functions, it is on the twofold condition that the public sector shall carry on economic activities directed towards service, not towards profit or domination, and that free and democratic Co-operation shall not be treated either as a slave or a doubtful auxiliary.

It was to this task that the Congress of Zurich, in October, 1946, and the Congress at Prague, in September, 1948, successfully devoted some of their efforts.

At Zurich Congress, Professor Louis de Brouckère submitted a Paper on "Co-operation and the Public Authorities," which one might say, in harmony with a Resolution passed a little earlier by the Central Committee, showed the way to co-operators.

The Resolution declared that "there is identity of aims between co-operative action and the action of the State, provided the latter be freed from any coalition of private interests and that it corresponds to the necessity of an organisation which places an economy of service above an economy of profit, both from a national and an international point of view. . . ." The Co-operative Movement is aware that States, equally as a result of conditions arising from the war as of the transition from liberal capitalism to the capitalism of cartels and trusts, "are led to take measures in order to assure the direction of the whole economy. But the action of the State necessarily has limits, and in its efforts towards the general organisation of economy it cannot dispense with the collaboration of co-operative institutions of all kinds." Therefore, there must be a division of tasks between the State and Co-operation. "The Co-operative Movement is, therefore," concludes the Resolution, "entitled to claim from the Public Authorities the liberty of its full development in the large fields of economic life where Co-operation succeeds in reconciling order, efficiency, and liberty by a freely-accepted discipline and the putting into practice of the principles of self-help and mutuality."

In his Paper and also in submitting it, Professor de Brouckère stressed the essential duty of Co-operation under the new conditions, "to bring systematic pressure to bear upon the public authorities and upon public opinion. . . . It is its spirit which it must breathe upon the world to give it life." At a time when "the essential character of an organised economy is clear to all," Co-operative Organisations must have representatives "in joint economic organisms and in organisms having as their mission the orientation and direction of the economic and social policy of the State. . . . Collaboration, which . . . will be the rule of to-morrow . . . demands reciprocal services. And when Co-operation offers its services it has the right to expect those of others in return."

This analysis was to be completed at the Prague Congress by the very detailed Paper presented by Mr. James M. Peddie on "The Co-operative Attitude to Nationalisation." From 1946 to 1948 collective economy had made gigantic strides, nationalised sectors had become more numerous, and one could learn from what was happening.

Mr. Peddie in his Paper reviewed the very different forms of nationalisation in Great Britain, the factors which determined these forms, the historical attitude of the British Co-operative Movement, the dangers and advantages of nationalisation, as well as the problem of their future development; then he examined the question of whether nationalisation and Co-operation imply contradictory philosophies, how and by what methods they both function, and what might be the views of the International Co-operative Movement on the subject.

Following this exposition of the question, the Resolution stated that nationalisation and Co-operation may have complementary functions and that there must be a division of tasks between them according to whether it is a question of basic industries or industries and services which directly serve the individual consumer. The different types of nationalisation must be judged according to their aims and methods. They must, generally speaking, "aim . . . at preventing the pursuit of private profit from conflicting with the 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. . . ." After having recommended competition between State Trading Organisations and Voluntary Co-operation in countries in which national economies are founded on the conception of over-all State planning, the Resolution concluded: "The Congress 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 accept freely 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."

After the presentation and discussion of this masterly Paper, it can be said that relations between the public and co-operative sectors of economy are perfectly clearly defined.

To the question whether the gigantic development of the public sector constitutes an obstacle to the development of the Co-operative Movement, or whether, on the contrary, it favours it, whether it creates difficulties and surrounds Co-operation with insuperable limits, whether, even, it threatens to stifle it, or whether, on the other hand, it offers the Movement new chances and prospects, the following reply can be given: Everything depends upon the nature, the aims, and the methods of the enterprises in the public or State sector. If the nature, the aims, and the methods conform to the above-mentioned requirements, Co-operation has no reason to fear the extension of the public sector of economy. Private capitalism has become economically and morally bankrupt. Co-operators should be the last people to complain that forces which are more unselfish, more qualified to understand, to respect, and to defend the general interest seek only to crush it or to live at its expense.

Everything also depends on the activity of co-operators in increasing points of contact between the co-operative sector and the public sector. To co-operatise the State to as great an extent as possible, rather than to allow Co-operation to be "State-ised" must be one of their constant aims; it is well to remember the general directions suggested by Mr. Louis de Brouckère in the above-mentioned Paper.

In countries where public economy is developing rapidly, everything finally depends on the education of co-operators, their sense of freedom, their righteous defiance of restrictions or coercion to which they cannot

freely consent. Certainly, there is reason to rejoice when governmental authorities show understanding or sympathy for Co-operation; but to press Co-operation into the service of the State, to make it obligatory or to take measures equivalent to making it so, is quite another thing; in its desire to develop Co-operation, the State then sterilises it and at the same time changes its nature; for there can be no Co-operatives without co-operators. As Mr. Peddie said, in presenting his Paper to the Prague Congress: "The progress of a State is, in the long run, determined not merely by brilliant social and economic projects which are either submitted for the approval of the people or imposed upon them, but also by the general level of enlightenment and political responsibility of the great mass of the people. In the end it is this factor which determines the real rate of progress. Every social and economic order, to be able to exist in a democratic form and avoid oppressive bureaucracy or worse, must stimulate the sense of freedom, of responsibility and individual participation which is the only true foundation of democracy."

To-day, therefore, as in the past, co-operators largely hold their fate in their own hands. The danger to Co-operation lies in the extent to which co-operators may falter, unconscious of their privileges as co-operators, lacking energy to face the problems of education, having no desire for self-help and no will to put methods of mutual aid first. But if co-operators know how to will, there is nothing in the present epoch which should frighten them. They can fully agree in principle with the organisation of economy. The great transformations undertaken by the State or the municipal authorities are inspired by a basically generous and altruistic spirit. Hitherto, a vast sector of economic life lay beyond the reach and the efforts of co-operators, and none of them could really see how to attain it. To-day this great sector is a part—or can be a part—of an equitable economy, of a "truthful and social" economy. It is for co-operators to make contact with the men in charge of municipal or national enterprises, to collaborate with them, to take constant care that this economy does not become a mere piece of State mechanism, but that more and more it becomes human and co-operative.

II. Some Difficulties and Chances of the Co-operative Movement.

In contemplating the prospects for the Co-operative Movement which seem to emerge from the changes of a general order in a changing economy it must not be forgotten that the immediate future of the Movement, its expansion or its regression, depend also upon many other elements.

As regards the extent of the development of the Movement to-day, it is clear that the manner in which it is judged is above all a question of appreciation. Some will consider that, having only a century of existence, the Movement has had so far a remarkable, on the whole, a rapid development. Others, on the contrary, will consider that, in relation to their revolutionary economic principles (just price, dividend, etc.), the development of Co-operative Societies is incomprehensively slow.

Let us take the case of Switzerland. With regard to Consumers' Co-operatives, they count as members rather less than half the population; last year 568 Societies affiliated to the Central Union had a turnover of about Swiss Frs.790 millions, while the turnover of the Union reached nearly Frs.490 millions. It is estimated that Co-operative Societies supply about 32 per cent of the needs of their members in foodstuffs, textiles, coal, etc., and from 15 to 16 per cent of their total needs, or, approximately—for one of the most "co-operatised" of the Western countries—7½ per cent of the total needs of the population.

To give a complete picture of the co-operative sector in Switzerland, it should be mentioned that Agricultural Co-operation is most highly developed in many forms (Purchasing Societies, Drainage, Stock-rearing, Grazing, Milk Utilisation Societies, Societies for the Utilisation of Agricultural Machinery, etc.); also that Rural Credit Societies (there are 911 of the Raiffeisen type) are very highly developed, so that the peasants are entirely, or almost entirely, independent of the Banks. Counting Building and Housing Societies, Productive, Assurance, Electricity and Water Supply Societies, etc., the Co-operative Societies on the Trade Register total about 12,300. A praiseworthy picture, some may think, but disappointing in relation to the co-operative programme and the legitimate ambitions of co-operators!

The purpose of this Paper is not to analyse the elements which may contribute to the expansion or regression of the Co-operative Movement. Nor—as previously stated—is it to return to the impressive list of "Obstacles to the Development of the Co-operative Movement" drawn up by Professor G. Lasserre in the thesis he presented in 1927.

More modestly, this brief Paper aims at focussing the attention of the Congress upon three major obstacles which hinder the development of the Co-operative Movement. All three have one characteristic in common, which is that they could be removed by a determined educational effort. If it makes such an effort, the Co-operative Movement, while taking an important step towards attaining its real nature, will be assured of new chances of great significance.

A. Men.

However numerous may be the obstacles which hinder the development of the Co-operative Movement, none is comparable with the fact that the man of our era is singularly ill-prepared to understand and to practise Co-operation.

What are the essential qualities of a co-operator? They are those which permit him to practise on the one hand self-help, on the other, mutual aid. "Co-operation," wrote Charles Gide, "has for its motto both self-help and each for all. Self-help means the pride of supplying one's own needs by one's own resources, of being one's own merchant, banker, money-lender, and employer. Each for all means to seek liberation, not only for oneself but for and through others, not to desire merely one's own well-being."

The quality which assures the practice of self-help is the sense of personal responsibility, the desire of independence, the will to be an individual and to take initiative in facing every situation. The quality which assures the

practice of mutual aid is solidarity, altruism; it is also respect and love for one's neighbour, which lead the individual to act in harmony with his fellow-men.

Everything in our era combines to ruin, both in the child and in the man, these qualities without which there cannot be real co-operators.

The press, the radio, the cinema, with their colossal influence and their almost limitless resources, are mediums which have only a passive appeal, which create passivity, which spread it and nurture it. It is passivity which is most often engendered in the child by the education of its parents; and the ignorance of so many mothers, who do not know better than to act for the child in the most simple things which concern it, kills the child's need to act for itself. Again, traditional teaching methods, by which the instructive activity of the master takes the place of the laborious work of the child, develop passivity in the schoolboy.

It would be easy to demonstrate also that the probabilities that the child and the man will develop their egocentricity are far greater than that they will create or strengthen their sense of solidarity. Traditional school methods in our civilisation with its highly individualistic tendencies, the many aspects of the struggle for life, and the difficulties encountered by youth in winning a place in society, almost everything throws the child or the young man back upon himself, hardly anything leads him towards altruism and the social life.

What should be the reaction? There must be a vigorous educational offensive, directed to the specific problem of developing in the child and in the man those qualities which make the co-operator.

On the one hand, the Co-operative Movements should draw the attention of the Women's Guilds and of the public to the essential problems of parental education. It would be easy to publish in co-operative journals simple directives based on the methods of Decroly or Montessori, or on those of the Institut Rousseau. All these methods are equally calculated to make the child an active being and to fit him, in his later life, to co-operate without difficulty with others.

On the other hand, it is urgently necessary that the Co-operative Movements should make contact everywhere with the educators and draw their attention to the importance of the methods employed in education and their formative value. In effect, it is not so much the verbal instruction given to the child which is of value in its formation, but it is much more the techniques of passivity or of activity which will influence his later demeanour and behaviour. Co-operators owe it to themselves to recommend educational techniques which bring the child into relations of co-operation with his comrades and not into relations of competition and rivalry. From this point of view the practice of team-work, of self-government, and of school co-operatives has an indispensable value in the formation of the child.

Team-work—on which the International Education Bureau at Geneva published a remarkable study in 1935—encourages children to form groups spontaneously to help one another, to develop in contact with their equals.

It is a method which develops an experimental spirit, the sense of objectivity, and which contributes more than any other to the development of the sense of reason in the child. It creates at the same time the spirit of initiative, of solidarity, and of discipline freely accepted. In team-work, writes Professor J. Piaget, "... Co-operation is truly creative; it offers the indispensable condition for the full development of the powers of reason. . . . Personality is the summit of socialisation, it is the discipline of self and participation in the elaboration which befits a society in the process of development. . . ."

Self-government does not come into the work of the school, but into the administration of the class and of the school by the scholars. This method thus places the children "in conditions where they can initiate themselves into the social order and can recognise the necessity for it by their own experiences. . . . It is a process of social education which tends to teach the individuals to overcome their egoism in order to collaborate and submit to common rules."

As regards School Co-operatives, the valuable brochure which Mr. Maurice Colombain has devoted to their educational value is well known. "A school co-operative is an association of school-children in primary and secondary schools who, sometimes in a completely independent way, sometimes, and most often, under the discreet supervision of their masters, collectively direct an economic enterprise to satisfy certain needs which they have in common or certain needs of the school itself, even of certain needs of their locality or their region."

What fundamentally distinguishes the school co-operative from other societies of school-children, the author insists, "and by which its superiority over them must be explained, is that it is an economic unity which implies economic responsibilities for those who direct it. Moreover, it is from this that it merits its name of co-operative. It is from this, too, that it seems like a serious game where there is less fiction than in certain scholastic exercises, a game in which there are risks and many obligations. From the point of view which we have adopted, we must make clear the importance we attach to the fact that the school co-operative is a society of children who manage an economic enterprise. What is most important are not the material advantages which this enterprise may offer; it is the road which must be followed to attain them. It is on this road, fraught with obstacles and difficulties, more than on any other, that the benefits of education may be acquired. The end is education; the acts of management are only a means to the end. To manage an enterprise, even in play, is to come to grips with reality, to run the risks and assume the responsibilities which it imposes; it is to solve real problems in the form and at the moment when they arise; it is to keep reflection and imagination always on the alert in order to foresee or to organise, or even to make rapid decisions and to improvise; it is, to a high degree, the lesson of experience and its discipline, where the penalties are always in direct relation to errors and mistakes. It is perhaps the most complete application of the recommendation of Pestalozzi—"Allow the child, by itself, to see, to hear, to find, to fall, to get up, and to make mistakes."

Some may think it useless to advocate methods of education for children and young people whose results will, of necessity, be long-term. But must not the Co-operative Movement, which in essence is lasting, occupy itself with the future? And, seeing what men are and how they are formed, is there any problem more urgent than that of analysing, then of expounding and applying the proper methods which will develop in young people those human qualities which are so lacking in our generation?

To form men: this is indeed a great task and one which may seem impossible. But the task which confronted the Pioneers of Rochdale in 1844 also seemed "impossible." And it was precisely that which provoked their enthusiasm, their faith, their tenacity, and finally their success. It is a regrettable tendency that the modern Co-operative Movement only sets itself aims which can be realised, goals which it knows it can reach but which provoke no enthusiasm; but is there not, perhaps, after all, wisdom in planning and daring things which seem a little mad?

B. Personnel.

The problem of recruitment in the Co-operative Movement has always preoccupied co-operators. Many are of the opinion that the lack of men capable of making good directors of Societies constitutes one of the greatest obstacles to the success of Co-operation. The I.C.A. itself has considered this problem on several occasions, in particular, at the Congress of Budapest in 1904. There have been few regional conferences or national congresses, few theoreticians of the Movement who have not, at some time, been pre-occupied with it. It has been approached from every aspect: technical and commercial capacity, the comprehensive knowledge required, liberty of action with regard to the Boards of Directors and the members of the Society, the essential psychological qualities as regards staff, and, finally, remuneration. But to discuss questions is one thing; to solve them is another.

To-day the problem of the recruitment of the right type of men has an even greater importance than formerly; present-day competition has given it a new aspect. What the public too often under-estimates, and even eminent economists are guilty of the same mistake, is that co-operative action has had considerable success. A Co-operative Society does not need to be powerful in order to have considerable economic activity. Its principles are the source of its strength; and its character as an enterprise gives it the possibility of making a real impression. By the simple practice of the just price it plays the rôle of a catalyser in economy. Its only concern as regards private enterprise is to transform it completely; this is a question of life or death for co-operators.

But private trade, it must be recognised, has well and truly adapted itself to competition from Co-operatives. Certain co-operative theoreticians had conceived the naïve point of view that the Co-operatives, by the advantages they offered, would gradually invade the whole field of distributive economy. This has not happened. On the contrary, the Co-operatives have rather "denatured" private trade and, to a certain extent, have forced it to conform to the rule of service. It should be emphasised, in this connection, that Co-operatives do not limit themselves to improving the standard of life of their own members; the germ of health and truth which they spread

throughout the whole economic organism benefits all consumers whether they are co-operators or not. This is a new leaven which co-operative action has introduced into the great economic loaf. For the competition of the liberal system with its malice, its deceptions, its neglect, and its agreements, Co-operation substitutes a kind of "objective competition," that of the just price which speaks the language of fact. Once good-money drives out the bad, contrary to the economic law that bad money drives out the good, no one will complain, or at least, no one should complain.

Faced with competition from Co-operatives, private trade has therefore manifested adaptability and a vitality which illustrate Dr. Fauquet's remark: "All development is limited by the obstacles which its very growth brings into being and promotes."

In Switzerland, for example, private enterprises no longer produce a crop of independent organisms. On the contrary, they have created a great purchasing co-operative, or rather several, which afford more or less the same advantages as those enjoyed by the societies affiliated to the Union of Swiss Consumers' Societies. They have adopted a unified system of accountancy; those who so wish enjoy the benefits of the control of a legal society; they have standardised wrappings; they are visited by shop-designers; also these former rivals have learnt the lesson of co-operation so well that they organise a common advertising campaign! This is indeed a reversal of the former state of affairs. Quite recently, in a relatively small region, 45 grocers agreed to advertise jointly 42 products which they sold at the same price. In this same region Co-operative Societies (three, if we are not mistaken) were at the very same time unable to unify their publicity because of a disagreement in policy as regards prices and dividends.

These facts raise the problem of the value of an autonomous organisation and of the democratic structure of Co-operative Societies. Formerly the affiliation of a Society to a Co-operative Wholesale and to a Central Union gave it sufficient technical advantages to triumph over competitors who acted independently, even when, under pressure from the Co-operatives, they began to reduce their high margins. But the position has changed. If the autonomy of the Co-operative Societies—particularly those which are small or medium-sized—means that they act independently of each other, if their democratic structure leads the Directors of neighbouring Societies to work without co-ordination, each according to his own pet ideas, then the technical advantages of co-operation will rapidly pass over to our rivals.

This is much more than a merely structural problem; it is a human problem. A small Society can preserve its *raison d'être* if its manager inspires it, if he feels his responsibility for the moral ties which unite the members, and if, on the technical plane, he understands the necessity for regional co-operative contacts. If it is alive, the democratic and federal structure of Co-operative Societies remains indomitable; but if it is fossilised, the worst of all possible conditions, it cannot compete against the ingenuity of private trade supported by purchasing co-operatives, or against straight competition from enterprises with multiple branches all acting on instructions from a single-mindedness.

The problem of recruitment—and more especially of Directors of Societies—thus takes on a new aspect. It can no longer be left to chance as was too often, and almost everywhere, the case in the past. On the contrary, future Directors of Societies must be chosen and trained with the greatest care. The Co-operative Unions, in collaboration with Co-operative Colleges where such exist, must undertake this task. The basis of recruitment should be big enough to ensure that the Movement shall have the best men, especially the younger ones. Programmes should be prepared with the greatest possible care and after consultation between the Co-operative Colleges, institutions for technical training, and the Directors of the Wholesale Societies and Unions. It does not seem possible that the training of future Directors can be completed in less than three or four years.

Only by such measures as these can the Co-operative Movement continue to live and affirm, by its example, the validity of its democratic structure.

C. The Régime of the Wage System in Co-operative Societies.

Up to the present co-operators have done no more than the private employer towards ending the wage system. This is to say, they have done nothing at all.

One can argue indefinitely about the conditions peculiar to the wage system in a co-operative régime. Charles Gide gave one of his most searching lectures at the Collège de France on this subject. Is the wage system to be a psychological condition, as he suggests in his conclusion? Are the drawbacks of the system lessened because of the altruistic aims pursued by the Co-operative Movement, and does the suppression of profit and the management for service make the workers in co-operative factories feel emancipated and that they are taking part in the building of a new world? Under a complete co-operative régime will the relation of prices to wages, by depriving wages of all absolute value, also suppress, practically speaking, the wage system itself? And what of that other relationship: shareholder-employee? Will the right of control which belongs to the shareholder persuade him, as an employee, that he is his own employer? Again: In France, as the result of a judgment of the Supreme Court of Appeal, the wage system is legally regarded as non-existent in Co-operative Societies, the workers being the associates. This, however, does not prevent the workers from retorting, as Gide remarked: “. . . in fact, we are wage-earners, as before. It was not worth the trouble of changing the system.”

Charles Gide is right. It is only necessary to share the life of a co-operative enterprise to know this: every day many details prove that almost all the employees and workers consider themselves wage-earners; wage-earners enjoying maximum salaries, exemplary working conditions, complete social security—wage-earners who are never, or very rarely, oppressed by the harsh laws of subordination, but wage-earners nevertheless.

And yet the wage system—that “condition of the worker who, because he has not the means of producing for himself, is obliged to hire out his services, his arms, his person”—is not, like labour itself, inherent to the human estate. On the contrary, it is a phenomenon of quite recent date in

the history of mankind. "The wage," writes Charles Gide in his "Course of Political Economy," "is only one method of remuneration, by no means the unique or essential one, but relatively recent in economic history, which only became general with the modern capitalist and employers' form of organisation and may very well disappear with it."

Why, if this is the case, have co-operators paid so little attention to this problem? Why have they been content to follow so closely the organisation of labour as it was conceived by capitalistic society—they who put in the first place human values, the dignity of the individual, solidarity; they whose particular problem it was, and who should have had solutions to offer? Why have these descendants of the Equitable Pioneers of Rochdale, if they, too, wished to be equitable, shown so little courage and imagination when it was necessary, as Hyacinthe Dubreuil writes in his "Industrial Republic," to "make even the deafest person understand the meaning of the ceaseless rebellion through which the world of labour inflicts a state of permanent instability upon modern society?" Why do they still do nothing, as Dubreuil also says, "to carry the virtue of association into the heart of labour, in order to realise that part of liberty and responsibility which is the most real and the most precious of all our possessions?"

It is a serious failure on the part of the Co-operative Movement that it has treated this thorny question negligently, inattentively, almost as though it did not exist or matter. It is paying dearly for this to-day. A part of the lack of interest is due to the fact that the Movement has not proved that it is concerned with the human person in the sense claimed by its propaganda. It has made the mistake of leaving political parties (which are quite incapable of finding a solution to the problem) to care for the liberation of mankind, while its own factories, offices, and shops were so many experimental laboratories where it could, and should, have tested practically the best methods for the transformation of hired labour into associated labour.

One of the major difficulties of the Co-operative Movement to-day is that it has not realised that it is as necessary to co-operatise labour as to co-operatise the fields of production and of distribution. It is perfect to apply co-operative methods to the making and selling of goods; but to apply them to the men who make and sell those goods must also be an essential part of the co-operative programme.

In justice it must be said that the International Co-operative Alliance has concerned itself with the problem and brought it to the notice of its Congress at Ghent in 1924. Albert Thomas submitted a paper on "The Relation between the Different Forms of Co-operation," one part of which dealt with this problem under the heading: "Co-operation and the Wage System." He described in detail the mechanism of Labour Co-operatives and gave them this place in his draft resolution: "It is desirable that, in their relations with the staffs they employ, the Co-operative Societies of every description should entrust to co-operative groups of workers, manual and intellectual, the independent responsibility for the direction of those parts of their business which are technically separable from the commercial and financial administration, and thus give an example to private enterprises

of an organisation of labour which conforms to the aspirations and the convictions of the workers. It is by making the different forms of Co-operation articulate that the Co-operative Movement will demonstrate its capacity to reconcile—in the organisation of industry as in that of agriculture—human dignity, freedom of action and autonomy in labour, with technical progress and collective action.”

The Resolution was adopted but with a Belgian amendment which replaced the words “ It is desirable ” by “ The Congress invites Co-operative Societies to consider whether in their relations . . . ” This amendment is characteristic of the timidity and mistrust with which the National Co-operative Movements were going to approach the problem! In fact, during the 27 years which have passed since the Ghent Congress, very very little has happened in the co-operative sector as regards the co-operativisation of labour.

The theoreticians of the Movement have been much more sure of the facts and the value of current examples. Besides Hyacinthe Dubreuil and Albert Thomas, Charles Gide applied himself to the problem; he, who understood everything, observing that this system of labour did not tend to become general, wrote: “ Why? It is a riddle to which I have not found the answer. I do not understand why the Trade Unions and the working class do not give it their attention.” But it was especially Dr. G. Fauquet who, with as much ardour as precision, described the *Organisation of Labour by Co-operative Teams*, which, in 1943, he made the subject of a publication for the Swiss Co-operative Study Circles.

Finally, we should mention an example to be found in Geneva during several years, which functions so successfully that Professor Edgard Milhaud, in his preface to Mr. Louis Maire’s brochure on the experiment, wrote: “ Perhaps one day the initiative of the equitable pioneers of Geneva will be commemorated.” The Co-operative in question is the “ Community of Sellers of the Dairy Union, Ltd.,” the Dairy Union being a joint enterprise of the “ United Dairies,” the Co-operative Federation of Milk Producers, and the Swiss Consumers’ Co-operative Society. The “ Community,” which functions with great success and to the great advantage of its members, of the Dairy Union, and of the public, proposes among other things: to reintroduce liberty into labour and only to maintain hierarchical subordination to the extent that this subordination is imposed by its technical needs; to introduce a greater equality in the distribution of the product of the enterprise; to recreate a human and interdependent community; to restore the idea of service and the sharing of responsibilities by replacing the hiring of services merely by a labour contract by association, which is the only form appropriate to relations between men.

Through the enterprises of this type, which institute “ labour relations which imply co-operative attitudes and conduct,” there is no doubt that the Co-operative Movement is helping more directly and more profoundly than ever before to form men; nor is there any doubt but that such examples call attention to the Movement and make its nature and its potentiality better understood.

Resolution.

The Eighteenth Congress of the International Co-operative Alliance, meeting at Copenhagen, declares that the situation of the modern world demands a vigorous offensive of co-operative education in all parts of the activity of Co-operative Unions, of Wholesale and Retail Societies. The World Co-operative Movement and the National Co-operative Movements cannot face their present problems unless education is everywhere regarded as of primary importance, and unless Co-operative Organisations, rejecting at short sight the intrusion of business into politics, strive under all circumstances, by precise measures and by putting into practice long-term plans, to make loyal and responsible men, conscious of the duties, the privileges, and the dignity of a co-operator.

The Congress, therefore, urges the Co-operative Organisations affiliated to the Alliance:—

I

(a) To give effect, where this has not already been done, to the measures recommended by the Resolution unanimously approved by the Zurich Congress on the Paper of Professor L. de Brouckère on "Co-operation and the Public Authorities."

(b) To systematically organise contacts with national or municipal enterprises of the public sector, and to endeavour to secure in this sector an increasing co-operative influence.

II

A. (a) To make contact with the educators, to draw their attention to the formative value of methods and techniques in the education of youth, and particularly to recommend team work in schools, self-government, and School Co-operation.

(b) To organise, through the Women's Guilds, courses on child education for young mothers.

(c) To make vigorous use of the co-operative press in dealing with educational problems and, more particularly, with the problem of the so-called "new education."

B. (a) To supervise methodically the education of the personnel in co-operative enterprises.

(b) To attach special importance to the training of Directors of Societies and to draw up technical and co-operative programmes designed to form men conscious of their obligations to the Movement and capable of fulfilling them.

C. To concern themselves with the organisation of labour in Co-operative Organisations of all types, in the sense recommended by the Resolution adopted by the Ghent Congress in 1924 on the Paper of co-operator Albert Thomas.

DISCUSSION ON MR. BARBIER'S PAPER.

Mr. Ch.-H. Barbier, Switzerland: When I had the pleasure of preparing this Paper, our friend Professor de Brouckère was still alive and I did not know the dangerous state of his health. The words of Professor de Brouckère which I quoted at the head of my Paper had for me then only one aim: to link this Congress with the Congresses of Zurich and Prague. But now, after the death of this great co-operator, the words which I recalled are a very grave warning to us. Professor de Brouckère said at the end of his speech at Zurich: "We are confronted by new needs. If we know how to meet them, there can be a marvellous future for Co-operation and humanity. If we do not succeed in meeting them, we are doomed to irremediable decay, and with us, perhaps, civilisation itself." I do not think that there is the slightest exaggeration in those words; it depends upon us whether the world has a marvellous future or whether it falls into decay.

The subject which I have tried to develop, "The Development of Co-operation in the World; its Difficulties and its Chances," is a vast one. Faced with such a subject, I could only ask myself again what is the environment in which the Co-operative Movement of to-day lives, what is our place in this environment, what is our doctrinal position with regard to it? For the International Co-operative Alliance it is in a way a problem of identity to know exactly where we stand in relation to a liberal economy and a State-ised economy. Between moribund liberalism and growing State control; between the accusations made against our Movement of being anarchist or neo-liberal, or communist or a supporter of State control, we must know exactly what we are and what we are not, what we have been and what we wish to be.

These questions have been examined exhaustively at the Zurich and Prague Congresses, and in the meantime by the Policy Sub-Committee. At this Congress, too, we have spent a great deal of time in attempting to determine our position. I wanted, in this Paper, to make a further effort to define what has been our position previously, what were the ideas of our great co-operative theoreticians on the subject: Hans Müller, Gide, Fauquet, and others. On the substance itself we can be very brief, and say we are neither liberals nor supporters of State control.

We need not fear the development of the public sector of economy. Indeed, we welcome this development under certain conditions which have been well defined: that, as Louis de Brouckère said, it represents order, solidarity, democracy; that, as Mr. Peddie said, nationalisation assures an extension of the principle of democracy in the economic field. Therefore, the public sector, when it develops, must, if it wants us for allies, set an example of the liberation of man, not of his subjection.

If the development of the Co-operative Movement is largely dependent on the environment in which we live, it also depends essentially on many other circumstances. I have tried to examine our difficulties, and I have found that they are legion; I have tried to examine our chances, and I have found that they are equally numerous. From these difficulties and chances I have chosen three, and it will be for you to say whether I have hit the bull's-eye or whether I have missed the target.

Opinions vary as to the degree to which our Co-operative Movement has developed. If this development has not been greater, it seems to me that it is for three main reasons, the first being man. If we look at the problem from the point of view of those to whom we address ourselves, our greatest difficulties arise from the public, that is, from the man of to-day and what he is. If we look at the problem from the point of view of the enterprise, it is still within its own ranks that we find our essential difficulties. If we look at the problem from the point of view of those who collaborate in our Movement, its workers and employees, it is still in them that we find the greatest obstacles to development. Inversely, our greatest hopes for our Movement also lie in these same factors. It is curious that our chances and our difficulties are so closely combined. But what is remarkable is that everywhere we find the problem of man, and we are faced, first of all, with the problem of education.

The man of 1951 and what he is is the first difficulty. This man is not prepared to be a co-operator. He has been fashioned by states of society which are not essentially co-operative, which cannot, if they want to perpetuate their essential characteristics, train successors who would represent for them suicide or the danger of destruction. Society always forms its men in its own image and according to its needs. Many people hesitate to believe this and we all have the illusion that we think and act like beings who are completely free. But I think that a Congress of co-operators such as this is a proof that the contrary is true. If the society in which we live had not made us as we are, if we had been born somewhere else, if we had a different social environment, we would probably think in the same way as our friends from the east. And if these friends had been born in our countries, and had been fashioned by our institutions, they would think like us. When I look at the different delegations—the British, Norwegians, Finns, Swedes—I am forced to realise that everywhere men are rooted in their social environment, and think in national, if not nationalist, terms.

It is not at all a bad thing for us to be conditioned beings, with our own peculiar characteristics, nor is it a bad thing for us not all to resemble one another. But the problem is how to know how to accept our diversity, to be able to understand it, and at the same time to love our fellow-man, by striving to understand him, at least to a certain degree. If we can succeed in thinking of one another in terms of true friendship, without wanting to assimilate, amputate, or destroy one another, then we shall become co-operators.

Much has been said on the problem of peace. This problem lies in us, in the way in which man has been formed, in the type of education he receives and the type of education which the co-operator must receive. What is promising for the future is that the education of co-operators can be absolutely the same in the east and in the west; both in the east and in the west the aim should be to develop in man the essential qualities of the co-operator, that is, self-help, the independent man who wants to help himself, who has and who is a personality; yet at the same time the man who knows how to harmonise his efforts with those of others, who is ready to collaborate loyally with his fellows, the man who practises mutual aid. As our educational systems are not designed to develop in man the sense of self-help or mutual aid, I am particularly happy that we have with us

Mr. N. Verlinsky, Israel: The steady increase of Government direction of economic life raises very acutely the question of the place of co-operation in the new conditions of state ownership, municipal enterprise, and different forms of collective economic development, involving in some cases the transfer of economic activities into the hands of Governments. The I.C.A. and the National Organisations must place greater emphasis on the public character of the Co-operative Movement and its specific work as the real representative of the interests of consumers and producers, so as to contribute to the increase of co-operative influence in State and municipal enterprises.

The great expansion of the Co-operative Movement obliges us to devote more attention to the development of a more comprehensive service of information about achievements in the different countries. The National Co-operative Movements are often strangers to one another and do not know much about the work which is being done in other countries and their experiences.

I should like to illustrate this by some facts about Israel. During the last three years, since the proclamation of the State of Israel, the population has doubled by reason of the immigration of 650,000 people, an immigration on a scale which has no precedent in history. It is of interest to mention that 120,000 housing units have been built and the foundations of new basic industries have been laid. Large irrigation plans have been developed, amongst them, for the first time in history, the supply of water for irrigation to the arid Negev. The number of Jewish agricultural settlements has doubled, and there has been a remarkable increase of their production by 100 per cent in three years, with the development of new forms of agricultural settlement in collective and co-operative villages.

The Agricultural and Consumers' Co-operative Movements have taken a most important part in this enormous development. They have helped to integrate the new immigrants into the life of the State, and without these powerful Movements this process of adaptation of great masses of people would have been a much more painful process. I doubt whether many of the active co-operators in other countries know these facts.

Similar things can be told about the achievements of other National Co-operative Movements, and one of the tasks of the I.C.A. is to give more information about the work of National Co-operative Organisations. The knowledge of their achievements will strengthen the morale of the World Co-operative Movement and contribute to its development.

Mr. I. S. Khokhlov, U.S.S.R.: I should like to tell Congress something about the experience of productive forms of co-operation in the Soviet Union, but as I have so little time at my disposal I can mention only a few figures. Consumers' co-operation was in existence for a long time before the revolution, but its development was very small. After the revolution, however, it developed extremely quickly, and at present there are 26,000 Consumer Co-operatives which play a democratic rôle. Centrosoyus is the central organisation of all the consumers' co-operative organisations. This year we held elections for the central organs of the administration, in which 29 million people voted.

The turnover of the Consumers' Organisations increased by 33 per cent from 1948 to 1949; in 1950 by 27 per cent as compared with 1949, and this year there is an increase of 20 per cent compared with 1950. As you see, progress is tremendous; it represents an enormous development of productivity and of trading relations in the Soviet Union. Controlled prices are being brought down by the Government. This process has been going on for four years, with the result that the level of individual life and of purchasing power is much higher than it was four years ago.

During the war the co-operatives lost about half their resources, and the structure of trade has since changed very much. Textile, paper, and other production has been greatly developed, also heavy industries, such as automobiles and tractors, and radio, clothing, musical instruments, and consumer goods generally. In the field of housing very great progress has been made, so that almost all the houses destroyed during the war have been replaced, while the first five-year plan has achieved a great deal in the provision of housing for all the big centres. Much of this reconstruction has been carried out through the Co-operative Movement.

On the market there are now many new products, due partly to the electrification of the country, which, in turn, has caused the need for much new building of shops and so on. New shops have been built through the co-operative building societies. To-day we have 2,000 trading organisations and 25,000 shops and restaurants. The co-operative sector of our economy, as will be seen, is of very great importance, and it employs more than a million persons. As I have already said, half of this trading organisation was destroyed during the war, especially in the Ukraine and Byelo-Russia, but those regions which were not occupied by the nazis have helped to reconstruct the trading organisations in the rest of the country. The position is now quite normal, as it was just before the war. When a million people are employed in these Consumers' Organisations—and this number is growing—you can imagine the size of the consumers' needs. It is a proof that we are doing good work in all fields of economy.

I wish to add something on the education of the consumer, but I do not want to burden you with figures, and what I am saying is not intended as propaganda. There are 51 school organisations and 111 co-operative schools, which have 14,000 pupils. There are more than 20 institutes where higher education is given, together with two special institutions; 33,000 pupils take the middle courses. This is the Centrosoyus system of schools. The training of the higher officers of this organisation is a very important question which we have to consider.

The President: I think we shall all agree that Mr. Khokhlov's speech was most interesting, and would like to know many more facts about the way in which Co-operation is operating in Russia. I should like to make an appeal to him to send one or two articles setting out the facts which can be printed in the *Review of International Co-operation*.

Mr. J. R. Cluck, U.S.A.: I should like to be one of the first to congratulate Mr. Barbier on his very fine paper. He has asked for comments particularly on the subject of the relationship between Governmental agencies

and Producers' and Consumers' Co-operatives. I have this proposition to suggest. We can reconcile the interests of Governments and the interests of voluntary associations, promoting the latter as the community need requires, through the arrangement of long-term, low-interest-bearing loans. I suggest that as one of two devices to which I shall refer briefly.

Various illustrations come to mind of the application of this relationship in the U.S.A. Most people are familiar with crop loans, which go to individual Producers' and Consumers' Societies, also loans covering fertilisers, machinery, seeds, and other items needed on the farm. Probably less is known of the tremendous programme of rural electrification. I notice that in Appendix I to the Report on the Future Policy and Programme of the I.C.A. the remark is made that little has been done by Co-operatives in this field. Perhaps that is because no one has called attention to what is being done, because actually some billions of dollars have been made available by the United States Government, at interest rates ranging just above 2 per cent, on an amortization schedule running 20 or more years.

The net result has been that during the past few years almost every farm within reasonable access of a source of power supply is now served by electricity. In my State many millions have been made available to Co-operatives for that purpose. Not only that, but power plants have been acquired by local authorities, so that direct producer to consumer relationships from the waterfall to the home farm have been established very satisfactorily. Under recent amendments to the legislation the same procedure is now being applied to telephone facilities, to extend them in rural areas.

The same underlying principle has been carried out in the provision of houses. Five or more people in the United States may form a housing co-operative and, upon showing that they have a feasible plan of operation, they can secure from the Government a loan by which adequate facilities are provided at lower rentals than would otherwise be possible. In the field of public health we have a local co-operative rendering health care services, with pre-paid health care covering medical and hospital facilities. In the past few days Congress has had under consideration the enactment of legislation by which long-term loans at very low interest rates will be made available for such purposes to these co-operatives.

Who would say, simply because this pattern does not fall within the concrete one envisaged by the weavers in 1844, that it is any the less a very sound co-operative enterprise? Certainly after reviewing the splendid record of repayment of these loans, and a demonstration that all this has been on a self-liquidating basis, few people in the United States would say that the clock should be turned back. I suggest, therefore, that this sort of procedure, having been demonstrated and taken out of the experimental field, can be extended and applied also to the under-developed countries. In such countries you have this peculiar dilemma: you have to organise the consumers' buying power, but they have no buying power at present; therefore, you have to get them into a co-operative and make long-term loans available.

Mr. G. Cerreti, Lega Nazionale delle Cooperative, Italy: I have some remarks to make in the name of my delegation on Mr. Barbier's Paper, which is a serious effort to study the complex problem which is before the Congress. I will even say that, in places, it is quite a remarkable study. Mr. Barbier has put into it all his historical knowledge of the Co-operative Movement, his faith, and, I would say, his pedagogic attitude, in selecting the most important and most useful facts. I must, however, say that in our opinion he has been too preoccupied with the general and specific problem of education—this is certainly a very important factor, but it is not the only one—and has forgotten the dynamic elements of the change in society, which is something Co-operation cannot forget, for it concerns its very life or death.

For Mr. Barbier the principal difficulties for Co-operation arise from the lack of co-operative-conscious men, from the inadequacy of co-operative training of technical personnel, and from the existence of the wage-earning system in our Societies. These are very interesting opinions, supported by a serious and well-chosen documentation, but the conclusions which he draws from these facts do not seem to us to be warranted, or at any rate should not be drawn in such a wholesale way. Mr. Barbier's thesis tends, in the present situation, to be a Utopian approach to the problem, because it is obvious that in the society in which we live, notably in the west, all the essentials to attaining the aim which he indicates to form the man by starting with the child, and to educate the mother so that she may educate her child, are in the hands of the monopolies. This is so true that to-day most of the co-operative press contains such small crumbs of this ideological and propaganda training that we can no longer tell the difference between our principles, our methods, our aims, and our tasks and those of a decadent society which is destined to collapse before the new socialist society.

The second remark is that, while Mr. Barbier's paper is very interesting, it tends to limp. Mr. Barbier seems to be looking for something which does not exist as a point of support, and this something is the progressive rôle of present capitalist society. It has no longer a progressive rôle; it can no longer be a point of support for the Co-operative Movement which is based upon the workers and the small people of the world. Consequently, it is not within the framework of capitalist society that we must look for co-operative solutions, but in a future society, for which we have to work. I do not say that the present state of society is completely in the hands of monopolies and trusts, but it is representative of trusts and monopolies, which are the antithesis of the co-operative idea, of co-operative organisation, of co-operative tasks and aims. We have, therefore, against us this powerful enemy which divides us, oppresses us, wages war on us, and seeks our destruction, and from which springs the pessimism which sometimes takes hold of us, and of which there are traces in Mr. Barbier's paper.

As for us, we are not pessimists. Against pessimism we set our faith in the victory of the workers in their fight for freedom from capitalist exploitation, and we see the enormous part which Co-operation can play in liberating man through its education, its solidarity, its actions as an economic and social organisation. And it goes without saying that Co-operation owes it to itself to strengthen its links with the forces of

progress, especially with the Trade Unions, in order, as was said at the Zurich Congress, to oppose to the capitalist policy of restriction the Co-operative Movement, which stands for the rational development and expansion of industrial and agricultural production, the expansion of the international exchange of goods in the interests of humanity.

Mr. A. B. MacDonald, Canada: We are talking about the question of how the Co-operative Movement the world over is going to be able to assert its influence in building up a happier society. That should be our primary objective and the programme of our thinking at all times, but in order to build this happier world we must have a certain environment which will help to make the Co-operative Movement grow and flourish.

What are the fundamental requisites for a flourishing and sound Co-operative Movement? The first is that in all countries we must have freedom to exercise our conscience with respect to religion. I think that we have that freedom in the part of the world which I know; from Copenhagen to Vancouver and down to Florida the peoples have the privilege of freedom of worship. That is essential if we are to build up a sound Co-operative Movement.

The second essential is freedom of speech, and again referring to the part of the world I know, from here right round almost to the tip of South America the peoples enjoy freedom of speech. In Ohio, in Nova Scotia, in Montreal, in Ottawa, in Edinburgh, the people can criticise their Governments and any public institutions in the land. That is the environment which will enable a free Co-operative Movement to develop, and which will enable us to build a happy civilisation for all peoples.

After freedom of religion and freedom of speech we must have freedom from want, but we have to be sure what we mean by freedom from want. We can go into a jail or penitentiary, or be incarcerated in some other way by the State, and be given food, clothing, and shelter, and we shall then be free from want in a sense; but in the part of the world I know that is not what we mean by freedom from want. We want the peoples of the world to set up the co-operative institutions through which they will be able to control the economic forces in a country so that its people will be guaranteed a sufficiency of food, clothing, and shelter. We are doing that in Canada and the U.S.A. and in the countries to which we have been welcomed over here. That is the kind of freedom which the Co-operative Movement must have, freedom obtained through voluntary action, through the people's own organisations. Wherever we have these three freedoms—freedom of worship, freedom of speech, and freedom from want—we shall have a happier world.

Mr. H. M. Gibson, Great Britain: I have listened with great interest and profit to Mr. Barbier's speech. He took us up into the rarefied atmosphere of co-operative philosophy and theories, and I think that what we have to try to do is to bring these philosophies and theories down to the ground floor of practical experience. I should like very briefly to make three suggestions, but before doing so I should like to say that the Colonial Office of the British Government are spending at this moment more money and time and experience in the development of co-operation in the British Colonies than they have ever done before, for the simple reason that they

see in the development of co-operation the best method of developing the democratic idea and giving to the natives of those Colonies experience of and responsibility in government and business.

My three suggestions are these. I believe that the best form of education is "education by infection." It is not what a man says that really counts, but what he is; and, being what you are, you can educate by infection far better than you can by words. As the Bible puts it, "Be ye doers of the word and not listeners only." There are over 500 people at this Congress, many of them leaders of Co-operative Societies in the different countries, who can go back and, if they are true to their own people, be the best agents for the spreading of co-operation.

Coming to my second suggestion, Mr. Barbier spoke about educating the membership. I would suggest that as far as educating our membership is concerned we should continue on the lines of co-operative lectures, meetings, one-day schools, and summer schools, but that we should also do something else. I have been struck, when I have attended many of the quarterly business meetings of retail Co-operative Societies, by the number of people who do not understand the balance sheet. I think that it would be a simple but a very helpful thing if it were possible to have a pamphlet, written very simply, entitled "How to Read Your Balance Sheet." This may not be a very high-flown suggestion. I am not trying to make high-flown suggestions, but to meet what I believe to be an immediate need.

As for my third suggestion, I am convinced that co-operative employees, rightly approached, can become a great influence for the development and spread of co-operation. I always remember that one of the most important days in my life was the first day I went to work. I think that when we in the Co-operative Movement start any boys or girls of 15 or 16 years of age, we should see to it that on the day they become co-operative employees a personal welcome is extended to them, that they are made to feel that they are not just a small cog in the machine of a great organisation, but that they are human beings who count, and count enormously. They should be inspired to see in co-operative employment a way of life as well as a way in which to earn their livelihood.

Mr. E. Lustig, Argentina: I am representing here the Federation of Argentine Consumers' Societies and I bring you the best greetings of its members. It is difficult for me to turn from the high order of Mr. Barbier's Paper and his introduction to speak of the actual state of affairs in Argentina. In the first place, I would emphasize that the Argentine Federation adheres loyally and courageously to the principles of the Rochdale Pioneers, although the various political elements which exist in Argentina are the enemies of these principles. In the case of one Society, whose founder and President is a Senator in the Peron Government, the Federation was forced to intervene. But, in spite of the attacks of the Peronistas, the Federation stands by the principles.

Mr. Barbier says in his Paper that "Everything in our era combines to ruin, both in the child and in the man, those qualities without which there can be no real co-operators." That is true of Argentina, where something similar to what has already been accomplished in certain other countries is being attempted.

There is also another matter which concerns the Latin American countries. For the last 60 years there has been in existence a Pan-American Union, with headquarters in Washington, which has established a co-operative section, and this co-operative section aims at the establishment of an American Co-operative Alliance. The Argentine Federation is against this attempted splitting of co-operative forces. In November a Congress of Latin American Co-operatives is to meet in Monte Video to discuss the question of the foundation of an American Co-operative Alliance. This is following the old Monro doctrine of isolation, but isolation is dead in the world to-day, including America. The Executive of the I.C.A. should follow his question and take the necessary steps to prevent the splitting up of co-operative forces—if necessary to fight against it.

Mr. N. Thédin, Sweden: Mr. Barbier, in his very interesting paper, discusses the difficulties of co-operation. When he estimates its difficulties and its chances, it is natural that he should look to the subject and, at the same time, the object of all co-operative activity, man himself. "However numerous," he says, "may be the obstacles which hinder the development of the Co-operative Movement, none is comparable with the fact that the man of our era is singularly ill-prepared to understand and to practise Co-operation." This is a very serious statement. It may be correct, though I doubt it, but I shall not discuss this subject further, because I do not think that such a discussion can lead very far.

The practical problem which we are faced with here is this: what can we do in order to educate not only an élite of co-operators but the broad strata of the population? Mr. Barbier, looking to the future, rightly talks about parental education and schools. How can we influence parents, and how can we influence education and tuition in the schools? The answer is, I am afraid, that our possibilities are very restricted. I want, however, to point to certain means which we have, or which we may have, at our disposal, and I do so because Mr. Barbier in his paper may give some readers the impression that he greatly under-estimates these means.

I refer to the press, the cinema, and the radio. "The press, the radio, the cinema," says Mr. Barbier, "are media which have only a passive appeal, which create passivity, which spread it and nurture it." That indeed is a dangerous generalisation, and not only to a pressman. It is true that all these mass media may be used, and are too often used, in such a way that they create passivity, but to say that that is always the case is to deny some very important and valuable aspects of modern culture. The press, the cinema, and the radio can just as well be used to activate people, and if we are interested in the future of co-operation we must indeed take a very great interest in these media.

The importance of the co-operative press in no way corresponds to the economic importance of the Movement. In many countries this press is of very small significance. The Co-operative Movement has so far exerted hardly any influence at all on the film industry, and yet the film reaches many millions of people every day, and too often depicts a way of life and a philosophy, or perhaps a lack of philosophy, which is totally alien to the ideas of the Co-operative Movement. Through co-operative self-help people have done remarkable things to raise their standard of living,

to get better and more food, to dress better, to improve housing conditions, and so on, but they have to a dangerous degree overlooked the problems of cultural consumption.

We have done too little to influence public opinion and to educate people in a co-operative spirit. This is one of the urgent tasks of the Co-operative Movement, and it is a problem to which the I.C.A. must give more attention. As a pressman, I wish to associate myself with the recommendation in Mr. Barbier's resolution that we should "make vigorous use of the co-operative press in dealing with educational problems, and, more particularly, with the problem of the so-called 'new education'." But do not let us deceive ourselves; we have to do much more to improve the co-operative press and also to develop other co-operative mass media for information and education.

Mr. M. Brot, France: The problems raised by Mr. Barbier are, in my opinion, those on which we must all reflect if we want to assure the development of our Organisations. One of the greatest difficulties is to create or train the men we need. We all experience how difficult it is, not only to find men capable of leading, of technically and morally directing our Organisations, but at the same time men who understand us, who join our institutions as co-operators. Mr. Barbier rightly says that it is from childhood that the spirit of man must be moulded for voluntary collective action, which in no way detracts from but rather exalts his personality.

Mr. Thédin has stressed that we must not under-estimate the possibility of training and educating adults by various means, the effectiveness of which it is not easy to determine. I know that in many countries, particularly Switzerland and Sweden, an example has really been given of the training of an "élite," notably by study circles, but these attract only a mere handful of men from the mass of co-operators. I do not think much will be achieved in this way, but, on the contrary, we must form these "élites" in the hope that every individual whom we train will, in his turn, become a centre for the diffusion of knowledge.

But we must go further. True adult co-operative education must be pursued through the true practice of democracy. We must teach our co-operators the true practice of democracy. Too frequently our co-operative general assemblies are skeleton assemblies, where we see always the same people, and I do not think this applies only in France for I have read many criticisms on the subject by foreign writers. We often have the feeling that the great mass of co-operators take no real part in co-operative life. This is a very great danger to the life of our Societies, but the greater danger—and attention has been called to this by eminent foreign writers—is that too often those who have heavy responsibilities in the economic affairs of their Societies do not try to impart real life to co-operative meetings, where the critics are very often unpleasant and badly informed. There is this tendency, therefore, for the real life of the co-operative body to become gradually weakened.

In France we have been greatly occupied with this problem, which was one of the subjects dealt with at our National Congress when Mr. Barbier

made a real contribution to the discussion. I think it would be useful to have an exchange of experiences between the different National Movements on the way to conduct general meetings and how to arouse a real interest in co-operators.

Mr. Barbier made a remark which deserves very serious attention when he said that too few of those who attend co-operative meetings understand the problems of their Societies because they are incapable of grasping even the rudiments of the information given to them. That problem should be studied jointly. We must find a way of inspiring with the ideals of co-operation those co-operators who often come to the meetings for purely material reasons. This co-operative education—and I say this particularly to our friend, Cerreti—is necessary not only to-day in our system of liberal capitalism, but will be equally necessary in a socialised society if we want the individual to be able to defend himself against the crushing power of the State.

Dr. L. Malfettani, Confederazione Cooperative Italiana: I do not see any point on which we can disagree with Mr. Barbier's Paper and the substance of his conclusions. It is such a profound synthesis that I should like his Paper to have an important place in the co-operative press.

The problem of the relationship between Co-operation and the public authorities is more pressing to-day than ever. It exists generally where the Co-operative Movement enjoys, at least morally, a traditional structure of solidarity and unity, and therefore we must agree with Mr. Barbier when he emphasizes the need to defend the character and freedom of co-operative activity. Where the Co-operative Movement is young and sometimes not united, where the natural resources of the country are insufficient and the economic standard is low, other measures must be taken.

In February, 1950, with the growing tendency on the part of the State to intervene as regards prices, wages, production, consumption, exchange, and distribution, our Movement addressed an appeal to the Italian Government pointing out that State intervention was neglecting the rôle played by co-operation and was favouring monopolies and the vested interests of capitalism, as well as encouraging growing and costly staffs. The motion pointed out that the Co-operative Society is a valuable instrument to be used by the State in these domains and asked for full recognition of the important part played by the Co-operative Movement in the economic life of the nation, also the necessity for it to have the opportunity of voicing its needs in all technical and economic bodies concerned. The resolution further asked that, as regards public investments, particularly those intended for agrarian and industrial purposes, the co-operative formulæ and methods should be used; that the carrying out of public works in the Government programme shall be entrusted, as far as possible, to Co-operative Societies, the constitution and development of which should be encouraged, in order to bring about a more direct and conscious participation of the workers in production.

I should like to make one remark regarding the future possibilities of the Co-operative Movement. The first Societies of consumers who founded the principles and aims of co-operative activity were in agreement with the idea that the consumer and the point of view of the consumer is the basis

of the whole system. But the consumer is also a producer, and this aspect is sometimes of very decisive importance, even from the co-operative point of view.

Mr. V. Sekac, Czechoslovakia: I learned with great satisfaction that this Congress was to consider the subject of the development of co-operation in the world, its difficulties, and its chances. We believe that the Congresses of the I.C.A. should always concern themselves with the development of the Movement. In that way Co-operators may discover and remove the difficulties and deal with the future prospects.

In my opinion, however, Mr. Barbier's paper does not fulfil the task given to him. We have looked in vain for an analysis of the economic and social conditions which affect the present situation of the Movement, as well as its difficulties and chances, but he has simplified his task by limiting himself to three questions of a subordinate character. His theme deserves to be taken up in a different, broader and more profound manner.

We find with satisfaction the statement that capitalism has failed, both economically and morally; that the economic system in capitalist countries is exposed to the pressure of the development of economic monopolies and the dictatorship of trusts; and that State power in those countries is always subject to the pressure of interested groups, that is, of capitalists and monopolists. We are very glad Mr. Barbier has come to this conclusion, because we have been convinced for a long time of this domination of the monopolists and the fact that capitalist countries serve the monopolist.

If we study the development of the Co-operative Movement since its origins we realise two fundamental facts. We see the difference between the way Co-operatives have developed in capitalist countries and in the Soviet Union, the country where socialism has been achieved and communism is being built; also in the people's democracies where socialism is being built with the fruitful assistance and example of the Soviet Union.

As regards the Co-operative Movement in capitalist countries, what Lenin said forty years ago in Copenhagen, when he addressed an international socialist congress, still stands. The co-operatives and capitalist countries help the small producers, the workers, and farmers, with regard to their purchases, and in some cases with regard to production to overcome the natural disadvantages of small-scale production and retail trade; they have a protective function, but are not effective in themselves and cannot replace the capitalist order by a new one.

Many co-operators in capitalist countries, as we see from Mr. Barbier's paper, regard the Co-operative Movement as something effective in itself as a means of eliminating the capitalist order of monopolies and trusts and exploitation. There is no doubt that the Co-operative Movement in capitalist countries is an important means of helping those who are socially and economically weak, but it does not modify capitalist exploitation and it cannot do away with the conditions inherent in the capitalist order which have been considerably accentuated in the era of imperialism. Consumers' Co-operatives can be of great importance, economically and politically, for

the proletariat masses, by supporting the workers in strikes, lock-outs, and political persecutions, but the improvement which can be achieved by the help of Consumers' Co-operatives will, on the whole, remain insignificant so long as the means of production are in the hands of that class without the expropriation of which socialism cannot be achieved.

If we trace the development since the Copenhagen Congress of the Socialist International we shall see that the truth of Lenin's words has been fully confirmed, and those who know how to read will find their truth confirmed by Mr. Barbier's paper.

The chief obstacle to co-operative development in capitalist countries is the capitalist order and the conditions to which it gives rise. The chief obstacle is that the means of production are in the hands of individuals, thus making the exploitation of man by man possible. The prospects opened up when the working class, with the small and middle-sized farmers, take the power from the bourgeoisie can be seen from the rapid development of the Movement in the Soviet Union and the people's democracies. Such a comparison fully convinces us that it is not a question of education, the selection of personnel, and the wage system, as Mr. Barbier imagines, even though these are very important factors, but that it is above all a question of where the political and economic power resides.

Mr. P. Takov, Bulgaria: I should like to refer briefly to the very great possibilities which have opened up for co-operation in Bulgaria since its liberation from fascism and thanks to the fact that the country has been in the hands of the people. We have 1,300,000 members, most of whom have been members since 1947; the number of shops, cafés, and other enterprises has increased from 5,000 in 1947 to 14,500 in 1951. There is hardly a village or a town which has not a co-operative. In 1951 turnover increased by 45 per cent compared with 1949. All goods produced and consumed in our country are to be found in co-operative shops. For the education of the masses we have courses and schools which last year taught more than 1,000 co-operative employees; there are also courses for workers in industry. In 1950 more than 80 per cent of our members took part in co-operative meetings. Every year in each Society a new executive and central committee are elected by secret ballot. These committees are the directing and independent organs of our organisations, responsible to the general meeting. The possibilities of development of our co-operative economy are almost unlimited, and the Union of Bulgarian Co-operatives is making steady progress towards the development of our beautiful and peaceful country.

Mrs. R. Bortzoi, Roumania: The development of the Co-operative Movement and Consumers' Organisations in the Roumanian republic and their possibilities are very great, because they are developing under the best possible conditions. The co-operatives number 4,000. Their rules provide for voluntary membership and they are administered by a general assembly which has regular meetings. The number of members is 5,000,000, of whom 1,500,000 are women who take a very active part in co-operative work. Before the war we had only about 1,000,000 members. The number of shops is about 17,000. Turnover rose by 100 per cent between 1949 and 1951, while cultural work increased by 47 per cent.

Our central committee attaches the greatest importance to the training of personnel for Union and Societies. One university works closely with the faculty of political science, and we have 11 colleges with more than 4,000 students. Since 1949 co-operative courses have turned out 17,000 students, including sales staff, organisers, accountants, and other administrative employees. This year we have trained 4,000 chairmen of co-operative organisations. These courses have given very good results in the last few years, and possibilities this year are even greater.

The President: Mr. Barbier will now reply to the discussion, after which the paper and resolution will be put to the vote.

Mr. Ch.-H. Barbier: I have followed the discussion closely and with pleasure, and thank all those who have shown an interest in my paper and have been good enough to express their opinion upon it.

First of all, I must express surprise that, having treated what I regard as a down-to-earth and concrete subject, it should have been discussed as though it were theoretical or philosophical. The Resolution relates to the training of directors of Societies, to the advice which should be given to mothers for the education of their children, to methods of education in schools, to the structure of work in co-operative enterprises. Certainly, these realities are linked with ideas, but I do not think the subject is an essentially abstract one.

Mr. Verlinsky, of Israel, hopes for an increase in exchanges of experiences through the co-operative press in particular. In this connection, we must recognise that the International Co-operative Alliance and its News Services have already done a great deal, and information on what is happening in the different Co-operative Movements is regularly circulated by the press. I have in mind particularly the important body of editors of a co-operative journal like *Vi*. So far as the co-operative situation in Israel is concerned, we ourselves sent a special correspondent and we have published many articles on the subject in the "Coopérateur Suisse." So I think the readers of our Swiss press are informed of the co-operative problems as well as the development of life and co-operative ideas in Israel. But the wish expressed is perfectly acceptable and normal.

I thank Mr. Khokhlov for his speech which, as our President pointed out, was of interest to us all, but it does not call for particular comment. Actually, the 32 million members of Co-operative Societies in the U.S.S.R. is not a particularly impressive figure for a population of 180 million, but I must admit that I prefer to have heard this figure than one of 170 or 180 million. The figure given represents quite a normal proportion, but what does impress me is the number of members who take part in meetings and speak. That is something worthy of our attention.

Mr. Cerreti praised some parts of my Paper and criticised others. He has the impression that certain important elements have been overlooked and, in particular, he cannot share one of the conclusions, namely, the management of the enterprises, that is, free management, which seems to him Utopian. I am a little surprised, seeing the examples of Labour Societies which exist in Italy, that Mr. Cerreti should have made such a

remark. He also thinks that the Paper limps, in the sense that it gives the impression that the present capitalist society can be made progressive. This was also the main criticism of Mr. Sekac, of Czechoslovakia. Mr. Sekac says that the capitalist system has failed, while Mr. Cerreti says that the present capitalist society cannot be made perfect. That is a very interesting problem for co-operators. Particularly in countries like Switzerland, France, and the Scandinavian countries we live under systems called "capitalist," but we know to what extent things can be changed when the public is sufficiently educated to want to change them. We know as well as anyone here that these systems have immense defects, but, all the same, they are democratic systems, which give their citizens the freedom to set up Co-operatives and extend them on the economic plane, also the freedom to take what part they wish in the political system. We do not, therefore, really live in societies which we would call capitalist; rather they are mixed societies in which the public sector is making enormous progress; the co-operative sector is growing, and all by means of education and the will of men.

Let us think for a moment of the present experience of the British Co-operative Movement, in its discussions with the Government on certain forms of nationalisation, in its conquests and its continual expansion. That is obviously a much slower method of progress than the method which consists in the issuing from on high of decrees as to forms of economy and in enforcing them. It is a method which works no faster than the education of men, and that is why education is essential in these systems. I believe, like Mr. Brot, that education is essential in all systems, and that in a highly State-ised system one runs the great risk of not fully realising what are the real wishes of its citizens, and of dispensing truths in such a way that opinion can no longer be formed freely. We believe that opinion can be formed freely, but in reality divergent opinions become less and less marked, not for the reasons which have been given, but because, before a divergent opinion, a contradictory opinion can manifest itself, the spirit must have its roots in educational methods and have nourishment, such as the spirit of man no longer finds in a society where the hold of the State is too strong.

As regards the value of education by example I agree with Mr. Gibson, but I think that, still more than by example, we should educate by practice. The recommendations in the Resolution aim at placing the child, whether in the home or the school, under practical conditions which allow him to be a co-operator, which allow him to work at school, not as an isolated being in opposition to others, but as a member of a team, of a group which he has joined freely with his companions. It is only in a society of equals that the child's mind can form and develop fully and normally. It is the same with a Co-operative Society; it is only by independent co-operative management and by practice that co-operators can rise to the management of their enterprise. Therefore, both example and practice are necessary.

I also agree with Mr. Gibson regarding contact with employees, that we must teach our co-operators to read a balance sheet. Among the books for the use of co-operative study circles in Switzerland there is a little book

by Dr. Fauquet, which explains exactly how to read a balance sheet. But educational methods are much more important than this type of teaching, for in the very nature of them lies the formative value of the mind of man.

Mr. Thédin thinks I have under-estimated one side of adult education, and that particularly with regard to the press, the radio, and the cinema I did not do justice to these media which influence the mind. These media *can* influence the mind, and, like Mr. Thédin, I fully realise the great power of the press, but they can be, and are in fact in practice, destructive of the power of analysis. They are lazy, passive techniques. The press tends more and more to become a picture book for children. Papers are illustrated more and more, because a picture speaks more easily to the eye than a text which one objects to reading; and when a text accompanies the picture, the tendency is to print it in larger and larger letters, so that it shall be read more easily. Similarly, the techniques of the radio and the cinema are very dangerous, and I think the passivity which we find in our democracies is precisely a result of the fact that personal effort on the part of man no longer exists. He receives his distraction and his instruction through channels which are too easy. The press, the radio, and the cinema can stem this current, but a complete reform is necessary. I have described a general state of affairs, in which there are many exceptions, but I do not think I have exaggerated.

I can only thank Dr. Malfettani for his speech, on which I have no particular comments to make.

Mr. Sekac, of Czechoslovakia, thinks that I have over-simplified the problem and have dealt only with three questions of lesser importance. They do not seem to me questions of lesser importance; rather, in them, I think we are touching not only the essential but also the most urgent questions. If the author of a Paper had more time to develop his subject and more time to reply to the discussion, it would be easy for me to show that we are at the very heart of our problem and that all the difficulties we have had in this Congress arise, not from the present development of our Societies or Unions, but from what we are—and what we are depends on the education we have had. That is why we do not want to continue in the same way, why I am most anxious that this Congress, at which education has been one of the most important problems for discussion, shall approve, unanimously if possible, the Resolution which I have had the honour and the pleasure to submit.

After a vote on the resolution by a show of hands, **The President** said: **The resolution is carried without dissent**—indeed I think I can say it is accepted unanimously.

Whilst this is the best thanks that can be given to Mr. Barbier, I think we should place on record our thanks and appreciation for the time he has spent in preparing this paper, for the manner of his presentation of it, and for the way he has replied to the discussion. I very cordially move that we record our best thanks to Mr. Barbier.

The vote of thanks was carried by acclamation.

Address by Lord Rusholme.

The President: At the opening of the Congress and at all our sessions there has been present amongst the distinguished visitors one who did not speak on Monday, though he might have been more welcome than any other speaker. As we are finishing our session in good time to-day, I believe it will meet with the approval of every delegate in Congress if I say that we should like to hear a few words from our old friend Lord Rusholme.

Lord Rusholme: As you will have gathered from what the President said, I had not anticipated being called on to speak to this Congress. At the last two Congresses I played a very important part as President and my voice was frequently heard. On this occasion I thought I should be silent; nevertheless, I am deeply indebted to your President for giving me the opportunity to speak for a very few moments to this Congress, which includes so many co-operators with whom I have long been associated in the work of the I.C.A.

If I may say so without presumption, my impression, after having listened to the discussions for three days is that the level of the debate is as high as in any previous Congress which I have attended. I have been pleased to see the enthusiasm with which delegates have come to the rostrum to explain their ideas and opinions. It is true, of course, that we have here, as previously, very great differences of opinion, but I want to make this point, that in any democratic institution I would expect that people would be able to speak their minds freely and frankly without in the least affecting their personal relationships. I do hope that we shall always be able in the I.C.A., in its Congress and in its Executive and Central Committee meetings, to feel that every individual member is quite free to say what is in his mind, and that that will not in the least affect the relationship between him and those who hold opposite views. In the past, I have expressed—and I still hold—quite different opinions from those expressed by Mr. Khokhlov, Mr. Klimov, and Mr. Sidorov, but I do believe that they are quite as friendly to me as I am to them. That is surely the spirit which should prevail in any institution such as the I.C.A.

I foresee great possibilities for the development of the I.C.A., and I hope and believe that in the years ahead we shall increasingly see the Movement spreading its activities not only in those fields which are at present under-developed, but also in those fields where we are already strongly entrenched.

Let me conclude by saying how happy I have been to receive the invitation from the Executive to be present here, and how sincerely I hope that the work of the Alliance will expand more and more in the fulfilment of its aims and that the Alliance itself will go from strength to strength.

Close of the Sixth Session.

SEVENTH SESSION

Thursday, 27th September, 1951.

CO-OPERATION AND MONOPOLIES.

By Mr. THORSTEN ODHE, SWEDEN.

National economic activity, which aims at a rising standard of living, must be based on a conception of organisation which involves the co-ordinated and planned use of economic resources. The philosophy of *laissez-faire* and an atomistic economy is outdated and unreal. Modern technological and scientific progress demands the co-ordination of productive forces for their full utilisation. The social content of different economic patterns is of great importance, for, in the long run, it determines the degree to which the economic pattern itself is accepted by society.

An economy can be organised with a maximum of authoritative control—that is, with more compulsion than is envisaged in the general concept of the social contract. Modern dictatorial régimes, in which all major decisions are made in a self-elected and self-appointed group of masters, do not, however, lack social pretensions. This group of masters directly or indirectly make all the vital economic decisions. They alone determine the quantity, nature and methods of production as well as the distribution of incomes. Continual efforts are made, through perverted education and propaganda, to induce the community to accept the dictatorship as the guardian responsible for economic and social progress.

Some conceptions of a socialistic society presuppose a high degree of authoritative control over the economic activities of the nation. It is argued that the adaptation of the economy to socially progressive purposes would be facilitated by state ownership of natural resources and, at least, the major large-scale industries.

Once again, all the important decisions on production and distribution of incomes will be made by those at the head of the Government, or under their immediate authority and supervision. As the Government in a genuine socialistic society will, however, be democratically chosen, the ultimate decisions in this case rest with the electorate.

The difficulties in preserving the progressive spirit of production and free consumer choice in an economic system of this kind are tied up with the possibilities of establishing and maintaining a system of democratic control over economic activities, which can function between elections and become familiar with the operations of the Government's executive machinery.

The co-operative conception of an organised economic system is based on the principle of closely-integrated production and distribution under the immediate ownership and control of consumers. Consumers making up the family households then become actively interested partners in the enterprises established to satisfy their needs. The integrated and federated structure of co-operative activity, by strict observation of basic principles, enables a system of democratic control to be erected from the bottom to the top.

The ideological basis of the co-operative system is the mutuality of consumers' interests, democratic self-management and voluntary adhesion. Any element of compulsion or dictatorial control is automatically excluded. In co-operative theory the demonstrated advantage of this system to society is assumed to lead to its general acceptance by the community. No complete theories as to the structure and functioning of a fully co-operative state—the Co-operative Commonwealth—have as yet been worked out. But the ideological picture, as it is generally painted, presupposes a high degree of decentralisation of political and economic control based on the education of all members of society to a high measure of self-responsibility and consciousness of their mutuality of interests.

Even the system of free enterprises, in its modern conception, has had to accept the principle of organisation through authoritative control to serve ends ultimately directed towards social progress. It has had to submit to democratic decisions of the community intended to establish a more equitable distribution of income; to observe certain standards through labour and social welfare legislation; to subordinate its interests to those of the national economy through statutory controls and national economic planning.

Special Needs for Control of Private Enterprise.

Growth of Monopolies.

This interference by the community with the operations of free private enterprise varies in extent from country to country, according to the conditions of the national economy and the actual powers of the governments.

According to the economists' model of the free private enterprise system, production is organised and continually adapted, and the best use made of productive facilities, by the independent decisions of private businessmen guided by the free choice of consumers. On the basis of free competition, a fairly equitable distribution of incomes will evolve, supplemented where necessary by social benefits based on need. But competition, the cornerstone of the theory of the free enterprise system, has tended to wane, even if it was ever sufficiently effective to yield the social benefits which its supporters claimed. It has been superseded by a system of monopolies which tends to restrict production, clog the machinery of distribution, and distort the distribution of incomes until the existence of ordered society is endangered.

Under the free enterprise system, consumers theoretically direct the process of production by the way in which they spend their incomes in a competitive market. Their evaluation of the usefulness or desirability

of a product—expressed in the price it will fetch—dictates the decisions of the independent producer to expand or restrict his production. It also exerts a continuous influence on his efforts to reduce costs. Decisive changes in price-cost relationships determine the continuous development and reorientation of industry. They also constitute a guarantee for the maintenance of efficiency through the elimination of those independent producers who are unable to keep costs below the selling price fixed by open competition.

Normally, according to this theory, an independent producer in a competitive market will be induced to increase his production, since within certain limits expanded production under modern technological conditions means lower unit costs. Free price-fixing and open competition will thus tend towards a steady increase in the production of the national economy.

The theory of free private enterprise as worked out by the liberal economists also gave a full *démonstration* of the detrimental effects of monopoly on production. A monopolist, controlling the whole production and market of an industry, would sometimes be induced to increase his output provided he could at least maintain his profits. But wherever it was possible for him to increase his profits by restricting output he would certainly do so. The decision rested with him alone. Furthermore, whereas an independent producer, acting under the laws of competition, would be forced to substitute a new process or technique for an old, the monopolist was not subject to this compulsion. Monopoly, therefore, would retard technical progress.

Monopoly in the world of free enterprise was, however, an abstract notion in the minds of the theorists. It was mainly advanced as a warning of what might arise from Government interference with the free working of the competitive system. As long as free enterprise and competition held sway, such monsters as monopolies could hardly be born.

The indictment brought against monopoly by the economists of the free enterprise system was, however, no empty abstraction, as events have proved. Systematic attempts to establish private monopolies began as long ago as the transitional period between mercantilism and liberalism, and have been steadily gaining strength in ever-growing sections of what is still called free enterprise. The monopolistic portion of private enterprise comprises those cartels and trade associations which strive to abolish free price-fixing in theory and practice and in the continuous concentration of economic power in a few corporate combinations.

The danger of this development is twofold. The effects of both cartelisation and combination are: first, to eliminate what incentives for increased production and productivity still remain in a market where competition is frustrated; second, to create private business governments, in no way responsible to the community, but exerting their influence in a manner which cuts across all authoritative control of economic life and, in many countries, is in principle hostile to social progress.

Thus, the world of private monopolies, steadily increasing in power and influence, is irreconcilable with the modern trend towards the organisation of economic life with a new social purpose. Monopoly conflicts with the people's desire for rising material, social, and cultural standards, and real instead of fictitious equality of opportunity. It menaces, in other words, the harmonious development of democratic societies.

Origins and Development of Cartels.

The association of independent enterprises in the same or similar lines of business dates from the time of the guilds and corporations, and no doubt never completely disappeared even in the heyday of economic liberalism and *laissez-faire*. Local price rings and tacit understandings between retailers and small traders kept alive the idea of restricting competition in order to give every trader a secure income. In countries where the doctrines of free trade were never wholeheartedly accepted, as in Germany, the idea began to spread again on a national scale in the latter half of the nineteenth century. There, it was supported by Governments as an instrument of protective and aggressive commercial policy. In some countries rapidly, in others more slowly, the idea of cartelisation was taken over from Germany by private industrialists and traders who then employed it, irrespective of the attitude of their Governments, on a vast scale.

The founder of the system of liberal economic doctrine, Adam Smith, remarked clear-sightedly that business-men rarely meet for merriment or diversion but their conversation results in a "conspiracy to raise prices." The truth of this saying has been sufficiently evidenced. But the origin and development of modern cartels has also been ascribed to the growth in the size of enterprises. As technology advanced and markets expanded, contacts between industrialists on a national scale took the place of restricted local understandings. The uneven rate of technical progress of individual enterprises in the early, bustling period of new mechanical inventions also made it necessary for high-cost producers to approach those working with better equipment and lower costs to arrive at some agreement. The fixing of prices could safeguard their survival, at the same time yielding increased profits to their more fortunate colleagues.

The influence of protective tariffs—accompanying the spread of industrialisation around the world—has often been characterised as a further stimulus to cartelisation in industry. The use of tariffs to cut off or restrict imports from abroad led first to surplus capacity in the protected trades, increased competition for a time, and then the formation of cartels to enable the enterprises to enjoy to the full the protection afforded.

Cartels operate to "raise the price"—that is, to attain the monopolistic effects desired—by various methods, according to the different conditions of industries and trades. Thus, in some cases, it will be by the division of markets or allocation of customers; in others, by the allocation of production or sales through quotas, reinforced by the establishment of joint selling agencies to aid the members in evading the temptation surreptitiously to exceed their quota or sell below the prices fixed. Pooling patents or other technical knowledge, sharing them among the members and excluding outsiders, is another method employed. Indeed, the ever-present fight against "outsiders" is, as a matter of course, one of the outstanding features of cartel agreements. The main weapons employed here are boycotts, price discrimination, and resale price maintenance coupled with exclusive dealing.

The world of cartels then is a world of allocations, quotas, "reasonable" prices, and fixed rebates for wholesalers or even retailers. It is a world with its own rules and regulations; with its own "courts of justice" where

heavy penalties are imposed and exacted from the offending firms by the institutions of the cartel established for this purpose.

The spread of monopolistic trade associations of the cartel type is difficult to follow and estimate by statistical methods. Many such organisations are based on written agreements, published or unpublished; others are established under disguise or by tacit understandings. In countries where legislation enjoins on them the duty of registration with a supervisory authority, the numbers registered at least give an idea of the extent to which private enterprise is permeated by cartel organisation.

A Swedish Parliamentary Committee reported at the beginning of the World War II that the share of goods and products sold on the Swedish home-market by price-fixing cartels (and combines) in 1935 amounted to 39 per cent of the total volume. The proportion in the main branches of industry ranged from 9 per cent in textiles to 74 per cent in foodstuffs. It was further stated that the rate of increase in numbers was both greater after World War I than in the pre-war period and greater in the 1930's than in the 1920's. Cartels and other private trade organisations in restraint of competition at present registered by the Swedish Monopoly Investigation Office number some 530. Registrations are still proceeding.

In Germany, the first official investigation was published in 1905, when cartels and similar monopolistic combinations were estimated to number 385. The number had increased to 600 in 1911 to 1,500 in 1923. A more comprehensive stocktaking in 1925 gave a total of 3,000 cartels: 2,500 in industry, 400 in wholesale trade, and 150 in retailing.

On the basis of statistical and other material from other European countries, it can be stated that the whole pattern of Western European industry and trade is dominated by the presence of cartels and other organisations of private enterprise in restraint of competition. Not all of them have yet attained watertight monopoly power, but this is the goal they are striving to reach. The numerous threads of these organisations, crossing each other vertically and horizontally, form a mesh which hinders the establishment of flexible economic systems and presents formidable obstacles to policies designed to increase national production and maintain full employment.

It should be once more stressed that in some of the great industrial countries in Europe, even outside Germany and Italy, the period between the two World Wars was an exceedingly fertile one for the birth and growth of cartels, above all in the heavy industries, but also in other branches of production and trade. "The general trend toward nationalistic autarchy and business syndicalism, or self-government in industry, was unmistakable."* Even in countries outside the totalitarian area of Europe the idea of compulsory, state supervised cartels in industry was seriously discussed and pressure brought to bear on democratic governments to adopt similar measures. Even if public policy did not intentionally shape this trend, or business policy shape the public policy, there was a relationship of government and business, respectively, to the new industrial feudalism

* George W. Stocking and Myron W. Watkins: *Cartels or Competition?* New York. 1948.

that was emerging. In this context the opinion expressed by the two prominent American economists should be borne in mind:—

“ In the matrix of actual affairs, a continuous, organic, reciprocal interaction goes on between politics and business that defies any attempt to single out the share of responsibility specially attributable to either for the course of events. This holds true whether it is a question of the forces generating warfare or of the conditions breeding monopoly and cartelisation.”

To this aspect which, in particular, applies to cartelisation in the heavy and key industries we will revert in a later section referring to international cartels.

Concentration.

The motives underlying cartelisation also obviously guided capitalistic concentration, as demonstrated by the rise of mergers and amalgamations (trusts) in the United States at about the same time. Modern technology, furthermore, decrees in some industries an organisation so large that a few sellers may supply the whole national market, either at the outset or after a period of competition. In this case, the incentives for combinations are readily seen. It should be noted, however, even at this stage, that the application of controls or legal sanctions to the activities of trusts and combines is much more difficult compared with cartels. The activities of cartels are, at least to some extent, regulated by written agreements and subject to more comprehensive publicity.

The character of the methods used to attain monopoly power by national combines—formed through mergers of individual enterprises*—do not substantially differ from those employed by cartels. Greater opportunity for the lowering of costs through large-scale methods, specialised production, and rationalised marketing is generally considered to be inherent in combinations of this kind. This also means, in the case of virtual monopoly being attained, greater opportunities for profit-making.

Added to the direct monopolistic effects on the consumer markets of combinations of this category is another danger which has been widely observed and commented on, in particular, in the United States, as well as the other countries in sufficient scope for the expansion of concentrated capital power.

“ In the great corporate combination power is concentrated through ownership and through various legal devices for centralising management, and decision in the centre of power is substituted for many free

* With regard to the pace at which the tendency towards amalgamation is proceeding in, for example, the U.S.A., some interesting figures have been compiled by the American economist Willard Thorp, at present Assistant State Secretary. Mr. Thorp's investigations comprise the period 1920-28. During these years no less than 1,179 mergers (“ consolidations ”) took place in the American manufacturing and mining industries. The number of enterprises disappearing by such mergers in one single year, 1928, amounted to 1,058. According to another investigation (“ The Structure of American Economy ”) the proportion of net assets of all non-financial corporations in U.S.A. held by the 200 largest combines rose from 47.9 per cent in 1929 to 54.8 per cent in 1933.

decisions by separate business interests. Concentration may not only go so far as to establish monopoly in a particular industry, but may also extend across industrial boundaries to bring whole segments of economy under a single control.”*

Strongholds of monopoly power can hinder or frustrate any attempt by Governments or Public Authorities to co-ordinate the national economy in the public interest. This applies particularly to public utilities in certain countries, where gigantic private concentrations have every opportunity actively and successively to fight progressive schemes. To take only one example, the American Telephone and Telegraph Company, with 300,000 employees and possessing a virtual monopoly of the telephone business in the U.S.A., has total net assets of \$4,000 million. Through collaboration powerful combines of this type can extend their influence outside the economic sphere into the fields of education and public opinion. The five large corporations that dominate motion-picture production in the U.S.A. have extended into the exhibition field. By 1945 they owned more than 70 per cent of the first-run theatres in cities with more than 100,000 population, and 17 per cent of all motion-picture theatres in the U.S.A. By virtue of their predominance in film production their control over exhibition extends well beyond their ownership interests in theatres.†

Dangers of this kind are not confined to the U.S.A. In Europe giant combinations almost completely dominate the home market for many essential products. The Imperial Chemical Industries Limited—formed in 1926 in Great Britain by the amalgamation of Brunner Mond & Co., Limited, United Alkali, Limited, Nobel Industries, Limited, and British Dyestuffs Corporation, Limited—had at the outset a capital of £42 million. Since then, while steadily increasing its capital, it has gained virtual monopoly control of many chemical products in Great Britain and a steadily increasing influence over a wide range of products in other branches of industry.

Reinforcements of Monopoly Power.

In the manufacturing industry, in particular, cartels and monopolistic combinations are making continuous efforts to reinforce their monopoly power by (a) extending their domination, through integration, over raw material sources and semi-manufactured articles, over trade unions and the labour market, and over trading outlets; (b) gaining domination over new fields of technology.

As to control of raw materials, the danger of watertight monopolies is greatest in the case of international cartels and combines—which will be more closely dealt with in a later section. The manufacturing monopolies' integration on the selling side can be effected either by establishing selling organisations of their own or, more frequently, as already mentioned, by allying with wholesalers or retailers' trade associations (agreements for exclusive delivery, resale price maintenance agreements, etc.).

* Professor Corwin D. Edwards: "The Problem of Maintaining Competition." Lecture to the Swedish Economic Society, Stockholm, 11th May, 1948.

† U.S. v. Paramount Pictures Inc. *et al.*, quoted in Stocking and Watkins: *Monopoly and Free Enterprise*, page 49.

Domination over new fields of technology is most easily won by ruthless utilisation of the patent system. Legal protection of patent rights, originally accorded to inventors with a view to encouraging technical progress, is indiscriminately enjoyed by corporations which acquire the patent rights by purchase and then impose an ingenious tangle of restrictions by licence on the use of these pooled inventions, or even keep them in "cold storage" to prevent them from being utilised by potential competitors. Patent abuses of these kinds are bound to increase since, in many branches, technical research is concentrated in the laboratories of the corporations. The large resources of capital and expertise of these corporations make it easy for them by litigation or threats of litigation to prevent patents of independent inventors from being used.

The question has been raised as to what extent cartel enterprises and combines make conscious efforts to reinforce their monopolistic power through seeking the support of the labour employed in monopolised branches of industry. The aim of such collaboration is, by arranging to share monopoly profits with the workers, to assure the continual employment of qualified man-power, irrespective of disputes or similar developments in the organised labour market. So far, very few investigations of the average wage level in monopoly enterprises, compared with that in others, have been undertaken, so that a definite judgment on this aspect of monopoly power is impossible. In countries like U.S.A., however, there has been a tendency for the great combinations to tie up the workers with the enterprises by closed-shop agreements, profit-sharing schemes, and the like, offering genuine or fictitious advantages to them in exchange for the surrender of their freedom to organise.

In countries where collective bargaining of industry-wide scope is the rule, this danger seems less imminent. Yet some few examples are known where regular "cartels" between employers and workers in separate branches of industry have been formed, regulating the wages and passing on the increased labour-cost to the consumers in the price of the product. If this tendency gains further momentum, increased advantages would accrue to the monopolies, and might incidentally lead to the disruption of the labour and trades union movements.

Taken generally, the concentration of power in private monopolies constitutes a growing menace to the trade union movement. In highly concentrated industries the negotiating power on the employers' side is placed in a few hands, which use it cleverly and ruthlessly in the spirit of monopoly. This applies, to a still greater extent, to the salaried classes (officials, technicians, and research workers), who, in most countries, are poorly organised and whose salaries are mainly determined by the competition for their services.

Shades of Effective Monopoly Power.

The choice that confronts every democratic country in the organisation of its economic life is not between pure monopoly and pure competition. If competition need not be pure to be effective, it is equally true that monopoly need not be pure to be detrimental to the interests of a progressive and expanding economy.

Pricing in modern national economies takes place in almost all sections of production and distribution in the shadow of imperfect competition, which embraces both oligopoly (price-fixing in markets in which only a few firms sell a standardised product) and monopolistic competition (price-making in markets where few or many business rivals sell similar products, differentiated by location, trade names, advertising, and the like).

The element of monopoly in such situations half-way between monopolistic and competitive price-making is strong enough to jeopardise an increase of production and to retard technical progress. Fictitious product-differentiation can be made as effective a means of obtaining an arbitrary price as any complete monopoly of productive resources of a certain product in the sense of the classical theory. Quasi-monopolies of this kind are, moreover, established by an excess of advertising and paid publicity which leads to a grotesque over-expansion of the non-productive or the less-productive sections of the national economy.

This aspect of monopoly power is of growing importance in all Western countries and has to be taken into account in dealing with monopolistic developments in the national economies in general.

International Monopolistic Combinations.

The notorious characteristics of monopolistic combinations, cartels, and combines on a national scale—restriction of output, high arbitrarily-fixed prices, reluctance to introduce technical changes which impair existing investments, and unwillingness to admit new enterprises to the market—are even more marked in such combinations on an international plane.

The first known international cartels of modern times were formed at the beginning of the 1880's (The International Bismuth Syndicate and European Rail Syndicate). Since then there has been a steady increase in the number of such combinations, an appalling expansion of their activities, geographically and horizontally, and a growing consolidation of their power. At their side exist a considerable number of corporations (trusts and combines) extending their activities from their original homes to other countries, and basing their monopoly power on the exclusive possession of rare products of the earth, or of patents and other innovations in the field of technology.

At the outbreak of World War I the number of international cartels was estimated to be about a hundred. Conflicts between the warring countries brought some tension into the relationships between the members of the cartels but did not in all cases put an end to their existence. Some of them moved their secretariats to neutral countries and continued to function on a more or less limited scale. After the peace, some of those which had expired or been dissolved during the war were easily reconstructed; connections temporarily severed were readily resumed.

According to a statement in a British economic periodical in October, 1920, there again existed at that time 114 international cartel agreements, put down in writing and having organised executives and secretariats of their own (international combines not included). A German estimate made 10 years later, covering inter-European cartels, showed that Czechoslovakian business interests were parties to 50 agreements of the cartel

type; Austrian interests to 53; British to 48; French to 45; Belgian to 37; Dutch to 26. Even a less industrialised country like Hungary was a party to 23 inter-European cartels.

In the whole period between World Wars I and II the number of international cartels increased considerably. At the outbreak of World War II there was estimated to be at least 200, including such agreements as shipping pools but excluding international patent agreements concluded separately.

International cartels were particularly active and influential in the heavy industries of iron, steel, and coal. At one time, world-wide cartels controlled 80 per cent of the total world exports of pig-iron and steel ingots, and an even greater proportion of some manufactures of iron and steel. International cartels were, and still are, numerous in the chemical industries for such products as paints, dyes, plastics, and fertilisers. They have covered, or are covering, non-ferrous metals such as copper, tin, lead, aluminium, nickel, and quicksilver; textiles or textile raw materials like flax, jute, and rayon; newsprint and other categories of paper; mineral oils (also through national cartels formed by agreements between the powerful international oil combines); electrical goods; glass products; linoleum and matches. A large number exist also in the field of relatively small but high-priced speciality goods: vitamins and hormones, medicines, insulin, X-ray tubes, optical glass, corset and umbrella springs—to mention a few at random.

It is thus a generally accepted fact that, despite post-war efforts to check their spread on the European continent, mainly in connection with the reorganisation of German heavy and other industry, international cartels and combines are steadily on the increase. Their activities are so much the more dangerous since in a number of countries, for tactical and other reasons, they are exempted from the application of national anti-trust or anti-cartel legislation. Bound up with militaristic imperialism and aggressive commercial policies, they constitute a danger to world peace. Offering vastly enhanced profits, they entice enterprises in other countries to join them in their attempt to establish world monopoly. When such cartels and combines emanate from countries under the control of reactionary and imperialistic governments—as from Nazi Germany before the war—their dangers extend far beyond the economic field.

From the point of view of monopoly theory, international cartels and combines imply an intensification of the effects of monopolies on a national plane. National cartels and combines which have developed in the shelter of a protective tariff are still subject to the effects of international competition. They are able, it is true, to utilise the amount of protection provided by the import duties, but they are immediately exposed to the menace of competitive imports when they try to exceed this limit on their profits.

By agreements with their international competitors, this hindrance will be effectively abolished. International cartels have proved themselves able to establish and maintain such arrangements as the division of world markets along geographical lines, allocation of quotas to their members in supplying national markets, and the exclusion of "outsiders" (competitors) and new enterprises, with the effect of completely nullifying, whenever appropriate to their own aims, the purposes and intentions of national commercial and production policies. Restrictions on international trade imposed by governments form part of a system and a policy which can be modified and finally abolished by negotiations. Restrictions imposed by

international cartels, serving no other purpose than to increase the profits of the members, are sovereign and inaccessible to negotiations between Governments.

Even in those cases where international cartels served the interests of one national policy against those of others, correction by the way of action along the lines of ordinary commercial policy is hard to achieve. International cartels, therefore, form one of the most effective hindrances to recent governmental efforts to establish freer international trade and the co-ordination of national commercial policies to increase world production and safeguard high employment.

International Cartels, Raw Materials, and Patents.

As already stressed, international cartels and combines have tended to integrate backwards: to gain domination of raw material resources with a view to reinforcing and entrenching their control of the selling markets.

Where important natural resources—deposits of ores, petroleum, etc.—are situated in insufficiently-developed and politically-weak countries they have striven to establish control of such resources by bulk concessions, which often resulted in ruthless exploitation and growing political tension. In some fields, these predatory attempts have been successful up to the point where by far the largest share of the world resources are in the hands of the international monopolistic combinations. In the case of petroleum, for example, five or six international combines control 90 per cent or more of the world oil deposits outside the U.S.A. and countries which have nationalised their oil resources.

The monopolisation of patents and technical "know-how" by international cartels and combines obviously implies much greater dangers than in the case of such a monopolisation by private monopolies on a national plane. Patents can be purchased and stored on a much larger scale, licences withheld from potential competitors not only in a single country but in all countries, and agreements even made to protect a monopoly position by deteriorating the product with a view to increasing the physical volume of the demands.* The vast resources of capital and "expertise" of the

* To take one example. Methyl-methacrylate (one of the new plastic materials) was sold by American firms, members of an American cartel operating under an international agreement, at a price of 85 cents a pound for industrial uses and to licensed dental laboratories at \$22 a pound. The enormous price-spread attracted "bootleggers" who sold the commercial material to the laboratories at a profit to them and to the dentists. To combat this practice it was suggested that the cheap commercial material should be adulterated by a poison (arsenic or lead) so that, for use in dentures, it would come under the ban of the Pure Food and Drug Administration. (Scientific and Technical Mobilisation, Hearings before a Sub-Committee of the Committee for Military Affairs, U.S. Senate, 78th Cong.). Similar suggestions were considered by an American chemical firm with regard to a material which could be used both as a paint and a dye-stuff and accordingly priced discriminatorily.

There was no material evidence laid before the American authorities that in these specifically spotlighted cases the suggestions made were carried into effect. On the other hand, there is full evidence that formal agreements with a view to reducing the durability of the product were concluded in the field of electrical goods, e.g., lamps for electrical torches, by shortening the lifetime of the average lamp to outlive only two batteries instead of three. (Wendell Berge: *Cartels—Challenge to a Free World*, Washington, 1944).

international combinations multiply the deterrent effect of threats of litigation on inventors, who might otherwise be interested to engage in research intended to improve on existing patents. The concentration of research in many branches of industry or production controlled by international combinations tends to pervert its aims and purposes. The fruits of research, taken generally, are used only piecemeal and completely at the discretion of the combinations.

Aspects of Monopolies in the Field of Trade Cycles.

National and international business agreements and combinations with a view to regulating prices are sometimes defended by reference to the more extensive risks involved in the large-scale investments required by modern industry, and in the violent ups and downs of trade in modern times.

It is said that, even if such business agreements can be shown to slow down the rate of technical progress and the increase in production, this is preferable in the long run to exposing the economic system to the full impact of these risks. Just as business groups demand state aid in times of distress but strongly criticise losses made by state enterprises (as well as opposing state intervention aimed at the planning and guiding of production in general) they ask for public understanding of their cartel policies as a means of introducing an element of "security" into economic life.

This attitude is clearly incompatible with the doctrine of free enterprise. In a system of free private enterprise business-men themselves decide what risks they will take and what activities they will carry on. The result is sometimes profit and sometimes loss; and both profit and loss are inevitable and desirable incentives under such a system. What cartelised groups of business enterprises demand is a system under which there are always profits.

Quite apart from these theoretical considerations, cartelisation is unable to eliminate the effects of cyclical swings and establish an all-embracing security. On the contrary, the disturbances and dislocations caused by trade cycles are themselves aggravated by cartelisation. In a period of declining demand the rigid and relatively high prices of cartel products are prevented from falling. The real purchasing power of consumers is not increased, and a further overall decline in production and growing unemployment results. The "security" of the cartelised producers is bought at the expense of production as a whole and the increased sufferings and sacrifices of the unemployed. From the viewpoint of social justice, there are evidently unforgivable defects in a system which gives security to those who should bear the risk (carrying the losses in return for reaping the profits) while the insecurity is shifted to those who are least able to shoulder it.

The effects of ever-growing cartelisation and combination, on a national and international scale, are thus, in broad terms, to replace free private enterprise, as envisaged by the classical economists in the dawn of industrial revolution, by a system of private collectivism. Under this system all the main decisions as to the guidance of production, the rate of technical progress, and the extent of free consumers' choice are taken collectively by

bodies, acting under no sense of social responsibility, with the sole aim of securing high profits on investments and establishing firm foundations for their power.

The trend of this development, more or less advanced in different national economies, is to extend monopoly influence by way of vertical integration, from the production of raw materials to the selling outlets. This implies a growing menace to the small producers, in agriculture and elsewhere. The real powers of the executives within this private collectivist system are rapidly approaching those of the political state. It is easily understandable that, to the extent the eyes of the public are being opened to the dangers of this system, no democratic state can tolerate the emergence and undisturbed development of such irresponsible centres of power, and their unconcealed abuse of that power. The Social State has had to develop a policy to check the growth and avert the dangers involved in the sovereign business governments of cartels and combines.

Anti-Trust and Anti-Cartel Policies.

The various measures to combat the harmful effects of cartels and combines are, as a matter of course, determined by the evolution of the national economies and the prevalent social philosophies in the different countries. In countries where a belief in the possibility of restoring free private enterprise to the pattern drawn up by the classical theorists persists, they have taken one form. In other countries, which are aware that the evolution of an economic system consistent with a greater degree of social freedom and democracy is a creative process—not to be bound by “established” theories of one kind or the other—they have taken a different shape.

The policies have also been determined, to a considerable extent, by the practical necessity of finding short-run remedies against abuse of monopolistic power in specific fields of economic life or in certain branches of industry. They have found expression in legislation of general character, other forms of active state intervention (such as nationalisation, measures in the field of tariff and general commercial policy, and internal regulation of prices by State Price Control Boards) as well as in policies intended to equalise the distribution of national income, mainly through the progressive taxation of corporation profits.

As far as legislative measures are concerned they can be appropriately classified in three categories:

1. Legislation enabling the Government to intervene with a maximum of power to dissolve monopolistic combinations, and declaring cartels and other forms of monopolistic association illegal as a conspiracy against free private enterprise (as, for example, in the U.S.A.);
2. Legislation providing:
 - (a) for compulsory registration of all combines and cartels, with the idea of exposing their activities by publicity and thus evoking and encouraging active competition to serve directly the interests of the consumers; and,

(b) for facilities to undertake special investigations of monopolistic activities in branches of industry suspected of particularly striking detrimental abuse of power to provide the basis for remedial interventions *in casu* (as, for example, in varying shades, in Sweden, other Scandinavian countries, and Great Britain);

3. Legislation for the permanent supervision of cartels, where they have been accepted as a constituent element of the economy, in order to settle their internal conflicts and regulate their relations with outside parties (as, for example, the German Cartel Law of 1923).

Any attempt to assess the efficacy and effects so far proved by the different types of anti-trust and anti-cartel legislation would be futile without further comprehensive and intensive research. Such research has not yet been undertaken on a scale worth mentioning in any country. A few general distinctions and reflections must, however, be made in this connection.

Legislation of the first type, designed to protect against "restraint of trade" (that is, to safeguard the freedom of action of small-scale private enterprise as conceived by the classical theory of competition, rather than the direct interests of the consumers) may, in principle, be characterised as an unrealistic and out-dated approach to the solution of the present-day problem of private monopolies.* Prohibition of the crime of monopolisation may in itself have as much effect as laws prohibiting sales of alcoholic beverages or white-slave traffic, as long as that legislation is not reinforced by a direct appeal to the social conscience of the public. The decree of efficacy shown by this type of legislation seems largely attributable to outward factors connected with the application of the law, such as the publicity evoked by trials or investigations rather than to the deterrent effects of the punishment described.

As to the second type of legislation, experience already proves that in frequent cases it works sluggishly against the heavy handicaps of time and the limited material and personnel resources of the administrative offices charged with the tasks of supervision and investigation. This in itself is not surprising in view of the rapid spread of monopolisation to almost all branches of the economy, the widely-diversified character of the monopolistic practices employed, and the exactness required to take administrative decisions.

The administrative process is, therefore, likely to be hedged about with limitations, its executive agencies permanently under-staffed, their officials

* The figures quoted on page 208 regarding the steady progress of monopolistic combination by mergers in U.S.A. in spite of the extreme severity of the American anti-trust laws which make transgressions of these laws criminal offences, are sufficient evidence of the weaknesses of anti-monopoly legislation of the prohibitive type enacted to give protection to small-scale enterprises. The fundamental weakness is that most enterprises of this kind do not want to be "protected"; the protection offered by a cartel agreement or an amalgamation with a large monopolistic combine offers a considerably greater temptation than lawsuits in order to preserve the freedom to compete of the individual businesses. This fact is evidenced by innumerable witnesses in trials and public hearings under the American anti-trust laws. The law is called to assistance, for the most part, only when the conditions offered are particularly disadvantageous to small-scale enterprises in the course of an amalgamation aiming at the establishment or safeguarding of a monopoly.

overburdened by work and enslaved by routine. Even with those limitations it seems, however, to afford appreciable facilities for educating the public as to the actual spread of monopolisation, the dangers involved to their primary interests as consumers, and the necessity of their active participation in combating these dangers.

The third type of legislation, departing from a conception of cartels intrinsically opposed to that of the Social State, might do less harm in formally legalising the cartels (accepted as legal entities as they already are by legislation of the administrative type) than by giving legal effect to their most dangerous weapons such as the establishment of boycotts and discriminatory selling, the imposition of fines and other punitive measures to preserve unity within the monopolistic organisations.

Similarly, the first and third types which provide full play for the judicial process, involve the danger that cases of obvious abuse of monopolistic power are decided only after long delays and endless appeals, based on intricacies of the judicial process and technicalities of the law.*

Other Policies.

These limitations and other shortcomings of legislation hitherto employed to check the abuse of monopolistic power should not discourage Governments in democratic countries from devising appropriate legislation and other measures to ensure a maximum of freedom and vitality within the national economy to serve the ends of the Social State. Such measures are bound to vary from one national economy to another. Among the recommendations suggested in the current debates the following may be mentioned:

(a) First and foremost, anti-trust and anti-cartel laws should be so drafted as to pay due regard to economic realities and provide no loopholes for protection of monopolistic combinations. For example, provisions prohibiting selling of goods at unreasonably low prices for the purpose of eliminating competitors have, in some cases, been so interpreted by courts as to stifle price competition by co-operative enterprises. Anti-cartel laws would be far more effective if provisions were included to prohibit, or make legally invalid, the imposition of fines by cartel organisations, and to eliminate discriminatory deliveries of the products sold by cartel members thereby excluding open or concealed boycotts.

(b) In such countries where monopolistic combinations predominantly take the shape of mergers and amalgamations, it should be seriously contemplated whether it would not be practicable to place ceilings on the size of private enterprises. A system of Government concessions regulating amalgamations would have to pay due regard to factors relating to technology, general efficiency of production and costs of production, as well as to the proportion of the merger to the aggregate output of the respective branch of industry.

* " Unless specific complications turn up, an anti-trust trial under American civil law takes two to three years to pass through the first instance of court; but there are cases which have taken two or three times as long, and even longer." F. Neumeyer: *Monopolkontroll i U.S.A.*, Stockholm, 1951.

(c) Measures to equalise the distribution of national income are inseparable from the general policies of the Social State. However great the practical difficulties may be, it should be thoroughly investigated whether it might not be practicable to introduce separate taxation on profits of monopolies, coupled with measures to prevent taxpayers in this category from passing on the tax to the consumers.

(d) Systems of temporary or permanent state control of investments should be carefully adjusted, so as not to comprise over-all bans on new enterprises.

(e) Legislation providing for compulsory grading and labelling of products in appropriate fields of the market could assist in re-introducing more normal pricing in those fields now dominated by quasi-monopolies, which extract excessive prices from legally-granted devices permitting fictitious product differentiation (trade marks and resale price maintenance for widely-advertised branded goods). Advertising could be separately taxed or, where it is exempt from taxation as a cost item, limitations placed on the exemption. The state could contribute to consumer education by establishing laboratories for the testing of appropriate articles and by publicising the results of the tests. In some countries, particularly the U.S.A., this task has been undertaken by nation-wide special organisations of consumers.

(f) Patent laws, originally designed as a reward to the individual genius of inventors, could be overhauled so as not to enable them to reinforce the monopolistic practices of corporations which have acquired patent rights by purchase. Monopolisation of research by the laboratories and patent offices of the big combines, as far as it results in restrictions on the utilisation of technical innovations, could be counteracted by a system of compulsory licensing for patents withheld from industry, and by sponsoring technical research at public expense, the fruits of which should be made available to all enterprises.

(g) Finally, radical measures in the field of tariff and general commercial policies would go a long way towards checking abuse of power by monopolies on the national plane, particularly in those countries which draw a considerable part of their supplies from those sections of the international market which as yet are not dominated by international cartels and combines.

It is not so much the question of reduction, abolition, or—for the purposes of negotiation—imposition of duties on certain commodities to remedy the detrimental effects of monopolistic practices in specific cases, as of a revision of the attitude of governments, in principle, towards tariffs. Experience over a long period shows that duties imposed to serve the protection of an industry have usually facilitated the growth of monopolies. Frequently the imposition of a tariff did initially result in new enterprises entering the protected trade, but, as the number of firms increased, so the benefits of the duty tended to be lost. The next step was a cartel embracing the enterprises in the protected trade. This cartel could in theory, and very often did in practice, charge a price equal to the world market price plus the amount of the duty. The higher the tariff walls the more they served as an incentive to the formation of cartels and to the concentration of the industry protected.

To the extent this process has not already gone too far in establishing "water-tight" national monopolies in the protected branches, reinforced by international agreements, the reduction of duties and abolition of other barriers to imports could open the door to international competition. In particular, the removal of protective duties and artificial trade barriers is the main prerequisite for the effective working of international co-operative trade exchange with its direct anti-monopoly effect, which will be dealt with in a later section.

Positive encouragement of cartels and combines may be a constituent element of the trade policies even of democratic states. For example, countries which have developed an active policy against monopolies have expressly exempted export cartels from the application of the relevant laws and ordinances. It is of paramount importance that such exemptions, as instruments of an aggressive trade policy and indirectly effective in fostering monopolies in the domestic markets, should be repealed.

Where legislative and other remedies have failed in checking obvious abuse of power by monopolistic combinations, particularly in industries with a very high degree of concentration of capital and production, the Government may feel tempted to establish a state monopoly by simply taking over the industry from private enterprise. Transfers of this kind imply—quite apart from the political issues of nationalisation—many intricate problems and difficulties relating to the restoration of the efficiency of the branch of production thus monopolised. In the course of a long process of amalgamation leading up to the formation of a giant combine, private enterprise is bound to evolve its worst qualities. Nothing else can be expected from monopolistic combines which have paved their way to power by suppressing competition, retarding technical and organisational innovations, and acquiring complete domination of selling outlets, regardless of costs. Unless the result of nationalisation in such cases is only to be the preservation of all the deficiencies and aberrations of a private monopoly, radical reorganisation and reformation is needed which can only be undertaken by introducing a system of management which provides for direct and effective participation on the part of the consumers. One monopoly may turn out just as bad as the other, unless due precautions are taken to fit a nationalised industry into the pattern of economic activities devised in principle and developed in practice by the Social State.

We will now turn to the question of what measures and actions by Governments, in collaboration with each other, are required to curb the detrimental effects of private monopoly on the international plane.

National and International Action against International Cartels and Combines.

International cartels and combines possess all the prerequisites for raising prices to even higher levels than those obtained by cartels confined to a single country. Where the power of national monopolistic combinations ends at the top of the protective tariff, there is, as already mentioned, no end to the power of international monopolistic combinations to exploit consumers, if their activities are allowed to go unchecked. Executives of powerful combines in command of an exclusive sales market in a number

of countries can dictate whatever price seems fit to them. International cartel agreements providing for a division of a number, or perhaps all, of the more important national markets, or for restriction on the basis of a quota system, will likewise be able to raise the price to any level compatible with the laws of monopolistic price-fixing and the variation of the elasticity of demand between different products and national markets.* An international monopolistic combination once admitted in the national economy is the enemy in the house, able to rule by an alliance with a part of its own inhabitants. Acts against intruders of this kind should begin with effective measures against their helpers and associates.

Any measures of preventive or corrective character which apply to national cartels and combines should, therefore, be employed with specific strength and stress against national combines and cartels forming part of international combinations. Governments are sometimes deterred from pursuing such a policy for fear of retaliatory measures against enterprises in other countries belonging to combines which have emanated from their own country. They feel it is their duty to protect them, even if they are carrying on monopolistic practices detrimental to the national economy where they are domiciled.*

National legislation for the control or supervision of monopolistic combinations may, pursuant to this inhibition, exempt branch organisations of international combinations from the application of such laws. National export cartels, even if they form part of powerful international cartels, are thus expressly exempted from the application of the Sherman Law in U.S.A. (by the Webb-Pomerene Act) and from the obligation to register in pursuance of the Swedish Anti-Cartel Law, provided their activities solely affect foreign markets. Exemptions of this kind obviously presuppose a cleavage of personality within cartel executives, enabling them to co-operate closely when they sell abroad and compete vigorously when they sell at home. They also envisaged an occasional revocation of economic laws, making it possible for international combinations to establish monopoly prices on the international market for a certain product and, at the same time, preventing the price development of that product in certain countries from being, directly or indirectly, affected by such practices.

In other cases, Governments for economic reasons—in order to extort the highest possible price for national products sold on the world's markets—or for non-economic reasons—connected with the safeguarding of national security in the political sense—give their protection and support to national cartels or combines forming parts of powerful international cartels or other

* See note on page 213 regarding price-fixing in the case of the plastic material referred to. Powerful international cartels can fix and are in the habit of fixing not only different prices for different categories of consumers but for different countries in accordance with their varying degree of economic development and prosperity. For products sold by international monopolies there is no uniform world market price. In some cases the more powerful members of the cartel are entitled to charge higher prices on their markets than the weaker ones on theirs. When, for example, the international quebracho cartel was formed in 1934 the most powerful member, a British company, reserved the right to fix selling prices for each member of the cartel. Nobody evidently suffered, as resulting from six consecutive price-rises in a short period, the average selling price of quebracho rose by 100 per cent. (Wendell Berge: *Cartels—Challenge to a Free World.*)

combinations. They may, through state monopolies or state-owned corporations, even participate directly in their monopolistic practices. The eyes of the public should be opened to the duplicity and dangers of such situations, and efforts should be focused on educating public opinion to take a logically coherent attitude to the problem of control of monopolistic combinations.

Governments will sometimes feel tempted or compelled, as a last resort, to nationalise certain branches of trade and industry as a measure of defence against the extortion carried on by international cartels and combines. In certain cases this may be practicable and appropriate; in others, not. National independence in the field of raw material bases is often required. Small and politically weak countries are, moreover, by such actions, exposing themselves to effective retaliatory measures on the part of those international combinations which enjoy the support of powerful national Governments. Such measures may take the form of direct political intervention by those Governments.

International Monopoly Control as proposed before the United Nations.

International concerted action to control the activities of international combinations and check abuse of their power is thus required to supplement the effects of national policies. Such action, to be successful, should depart from the agreed conception of unreserved international solidarity of interests in coming to grips with these out-growths of private international governments, and should be guided by the recognition of each nation's right to have free and equal access to the world's natural resources under conditions which exclude their being utilised as foundations of monopolistic practices, either by international or national combinations.

The idea of submitting international monopoly organisations to the control, not merely of single sovereign states, but of a super-governmental authority, was first brought before the World Economic Conference in Geneva in 1927. But the main issues were blurred and distorted by capable defenders of international cartels, who maintained that international cartels serve the purpose of rationalisation, since they are established for the exchange of patent rights, technical knowledge, and other factors making for lower costs. The resolutions adopted were accordingly weak, and did not contain a definite condemnation of their monopolistic effects. Studies were subsequently carried on by the League of Nations in the 1930's, demonstrating their rapid spread and extending domination over the world's raw material resources.

The question of international control was reintroduced into the international debate by the proposals of the U.S. Government to form an International Trade Organisation. The basic document, signed by the U.S. Secretary of State, James F. Byrnes, and submitted to a number of Governments in 1945, summarised the experience of the activities of international monopolies of this kind before and during the war. International cartels, according to this summary, restrained competition by jointly fixing sales prices, by dividing world markets into zones with exclusive right of

supply to particular members, by restricting production in fixing quotas for the members, by suppressing new inventions and the fruits of scientific research, by keeping competitors out of certain markets, and by boycotting new enterprises. In certain cases, it was stated, the barriers on international trade were even more detrimental to the freedom of international trade than those imposed by Government.

The document contained a draft of a programme of action against international monopolistic combinations, in so far as their activities can be proved to be detrimental to the expansion of international trade. This draft was comprehensively discussed at the Conferences in Geneva, 1947, and Havana, 1947/48, and was finally incorporated, in elaborated form, into the Havana Charter of the International Trade Organisation.

Chapter V of this Charter provides for specific undertakings regarding control of international monopoly organisations, detrimental to international trade, by the countries in membership with the I.T.O. The obligations imply that each member shall take all possible measures, by legislation or otherwise, in accordance with its constitution or system of law, to ensure within its jurisdiction that private and public commercial enterprises do not engage in monopolistic practices. Such practices included joint price-fixing, allocating territorial markets or customers, boycott and discrimination, limiting of production or fixing sales or purchase quotas, and practices designed to limit the utilisation of technical innovations, whether patented or not. The undertaking is valid for all commercial enterprises possessing effective control of trade among a number of countries in one or more products. The member Governments further agree to co-operate between themselves with a view to keeping such practices in check. The Chapter, in addition, provides for investigations of the activities of international monopoly organisations and of methods of control, including the registration of restrictive business agreements and other arrangements affecting international trade (a suggestion also submitted to the Conference in a memorandum by the International Co-operative Alliance). Through these last-mentioned provisions the Organisation, it can be said, was given power to act as an International Court of Justice for international combines and cartels.

It is sincerely to be hoped that as soon as the Havana Charter is ratified and the I.T.O. comes into being, the Secretariat of the Organisation will be authorised to draw up the necessary schemes for the registration of international combines and cartels. This will be at least a first step on the way—a long one, it is to be foreseen—towards the establishment of an effective control of international monopoly organisations. To the extent the members' countries will fulfil their obligations as to national action, this will most powerfully contribute to the successful working of the international supervision. It should, however, not be overlooked that many elements of resistance to an effective international control will still be at work for a considerable time to come, and that untiring education of the broad masses of the consumers and active pressure on their Governments is needed to ensure their wholehearted collaboration in the implementation of this vast programme which evidently will take place only by stages.

* At the 12th Session of the Economic and Social Council the representative of the I.C.A. put the question to the Council of how far, pending the coming into full functioning of the provisions for international and national control of international cartels in the Charter of the International Trade Organisation, general and special studies of the spread and effects of international monopolistic combinations could be initiated within the existing set-up of the United Nations, with a view to elaborating effective counter-measures to the detrimental effects of such combinations.

Stressing the detrimental effects of international cartels and combines on international trade the U.S. Government asked the Economic and Social Council to introduce on the Agenda of the following Session (the 13th Session, commencing on 30th July, 1951, in Geneva) a proposal for the elimination of such restrictive business practices as joint price-fixing and limits on production and sales areas affecting international trade.

The Co-operative Movement as a Means of Defence against Monopolies.

The success of national anti-monopoly policies, it should be agreed, will ultimately depend upon whether there exists in the modern democratic national economy an element sufficiently vigorous and uncorrupted to carry out the intentions of such policies. Those policies designed to restore competition under the changed aspects following the rise and evolution of the conception of the Social State, require an interest vital and active enough to provide a substitute to the private profit interest, once conceived by the classical theory as the all-powerful instrument of a perfect harmony economy.

It may still be open to discussion to what extent the private profit interest was instrumental in bringing about the great technical, scientific, and economic progress of the nineteenth century. But undeniably it brought about no harmony. Subsequent developments have, however, made another force emerge capable of producing full harmony. The consumer interest is irresistibly coming into the foreground of the interplay of economic and social forces in modern democratic society. It may be objected that it is still deficiently organised, that consumers are still but imperfectly conscious of their power and needs. And that, viewing the world as a whole, consumers are taking a passive attitude as to the planning, management, and functions of economic life. Even so, the Consumers' Co-operative Movements of modern Western civilisation have, in not much more than a century, become centres of consumer consciousness and action. They are, in a number of countries, already ripe to serve, if given the appropriate facilities, as the most important instrument needed by the Social State to remedy the deficiencies of private profit economy. They are ready to supply the corner-stones of an entirely new economic system within which the profit interest will be bridled in the interest of the community to be, step by step, relieved by the principle of service as the fundamental basis of economic activities.

The attitude of the Consumers' Co-operative Movement to private monopoly organisations has not been to fight them wherever they meet them in theory. Co-operative policy has been a practical policy, and the

Movement has taken up the fight against monopolies on concrete issues whenever their harmful effects to members of the Movement and to consumers in general became apparent. The co-operative appeal to the consumer-consciousness on each occasion when the Movement has intervened against abuses of monopolistic powers has highlighted the vulnerable points of all private monopolistic structures in the most striking manner. "A monopolistic cartel may be rich in capital, cleverly constructed beyond all technical criticism and become all-powerful; but there is an intrinsic weakness which is bound to lead to failure and disaster if only it is exposed and brought home to all those on whom the monopolistic exploiter is utterly dependent. The monopoly cannot force the consumers to buy the goods—if only they make up their minds to produce them themselves. As the trade unionist has the right to strike as his ultimate weapon of defence, so the consumer has the buyers' strike, with, as a logical consequence, the establishment of his own production in every branch where his just and natural interest is challenged by a 'merciless' exploiter."*

The Co-operative Movement was first challenged by the small retailers' local price rings striving to establish price leadership in geographically limited regions. The Consumers' Co-operative Organisations averted this danger by force of their federated structure. Through their vertically-integrated structure, Consumers' Co-operative Societies enjoy the same economies of large-scale operation as are ordinarily attributed in certain countries to such private large-scale undertakings as multiple shops and chain stores. By virtue of the basic non-profit principle of Co-operation, the major part of the savings in costs are passed on to the consumer. The constant pressure on the retail price-level in the field of ordinary household necessities over long periods of years in a number of countries has operated to check monopolistic elements in the distributive margins, irrespective of the character of private distribution being preponderantly small-scale (which it was and still is in most countries) or large-scale.

The monopoly-breaking power of the Co-operative Movement was limited, however, as long as it had not embarked upon production on any considerable scale. On the other hand, monopoly organisation in industry was making steady progress, with the result that co-operative shops, as other distributive outlets, largely had to pass on monopoly-priced goods to the consumers. The Co-operative Movement, however, did not initially embark upon production to meet actual monopoly challenges. Access to a known, uniform, ideologically consolidated market—as provided by Co-operative Societies federated on a national scale—had enabled the Movement to enter competitive branches of industry, start its own industries, and employ mass-production methods at a time when the conception of mass production was still relatively unknown in many fields of daily necessities.

The success reaped by co-operative industry under competitive market conditions gave the assurance of success when the Movement was called upon to organise productive enterprises to defend itself against the attacks of expanding private industrial monopolisation. The interventions made in this constant fight against monopolies have proved beyond dispute that in almost every case where the Co-operative Movement has intervened with

* Thorsten Odhe: "The Swedish Rubber Cartel in Retrospect," *Cartel Review*, No. 4, April, 1951.

sufficient strength the result of the price reductions has been improved utilisation of productive capacity, increased demand, and a rise in employment in the industry.*

The material resources of the Co-operative Movement to be employed in defence actions against monopolies are far from exhausted. On the contrary they have, as yet, only been tried on a small scale. The dynamic force of the Movement will grow by leaps and bounds, as experience has shown, to the extent that National Movements set out, as one of their principal aims, actively to defend the consumer against monopoly exploitation in *all* fields where the consumer interests are at stake. The response to every action of this nature in the form of greatly enhanced consumer-consciousness and battling power will surpass all expectations. It will not always be necessary to bring the forces into battle; the knowledge among private monopolists of the firmness and incorruptibility of the Co-operative Movement on this point, to judge from the effects brought about by the attitude of the Co-operative Movement in Sweden, will exert a far-reaching deterrent effect and make it possible for Organisations to extract far-reaching concessions from cartels and combines in the public interest.

Co-operation's Rôle in an Anti-Monopoly Policy.

It is obviously the responsibility of the Government of a Social State to draw up a policy to prevent the further spread of monopolistic organisations in private enterprise, check the misuse of monopolistic power, and provide

* If it were at all possible to establish a catalogue of all interventions undertaken by Co-operative Movements in the countries of the world against abuse of power by private monopolies in the course of time, it would probably comprise several hundreds of such interventions in the most varying forms. It would have to go back to long-enduring actions of the *British Co-operative Movement* in, for example, such branches as flour-milling and the bakery trade, its defensive fights against cartels of traders in proprietary articles covering a vast list of everyday things, such as, to take a few examples, photographic equipment and gramophone records, its embarkation upon the production of vegetable oils and margarine as a counter-stroke to powerful international cartels; the widely-observed fight of the *Danish* co-operators in the cement trade; the building up of an extensive production of agricultural requirements in monopoly-dominated trades by *Finnish* co-operative organisations, and many others dating back to the years before World War I. Then, there would be more recent interventions of striking success, such as the building up in a few decades of a highly-efficient machinery of production and distribution of petroleum products by the American farmers to check the monopolistic practices of the powerful domestic oil combines in the rural parts of the *U.S.A.*

The history of co-operative interventions against private monopolies in *Sweden*—which is easily available and well known to the author of this paper—extends over a wide range of industries dating as far back as the beginning of the 1910's. In brief, it can be stated without exaggeration that all of these interventions have been successful; in the margarine and vegetable oil industries, the flour-milling industry (including the manufacture of oatmeal and crisp bread), goloshes and tyres, the electric bulb industry, cash registers, fertilizers, building and structural materials, soap and washing materials, agricultural machines, and many other items, the production and trading of which were dominated by private monopolies, national or, in a few cases, even international. In a number of cases the mere existence of the powerful centre of action of Co-operation within the national economy has had a highly deterrent effect on the monopolistic tendencies of cartels and combines. It has been said that this constant "threat" to monopoly has, perhaps, proved even more important to the consumers than the savings in household expenditure and arising from the increased volume of purchasing power realised in branches where direct action has been employed.

safeguards for the consumer interest in the future organisation of the national economy. The practical problems connected with this task, and the difficulties involved in the implementation of state anti-monopoly policies, have been touched upon in a previous part of this paper.

The Government will find a powerful ally in the Co-operative Movement in coping with the task of establishing effective control of monopolistic practices in private enterprise, and should be accordingly prepared to provide to Co-operation the freedom of action required to enable it to offer its assistance in full.

Most democratic Governments, recognising the paramount rôle Co-operation has to play in any anti-monopoly policy, have declared their willingness to do so. Difficulties still remain so that discussion of the ways to establish effective collaboration between Co-operation and the State in the control of private monopolies is vitally important. These discussions should lead up to a logically defined, active, and consistent policy on the part of the State in its relations to Co-operation in its rôle as the main active element in curbing misuse of monopoly power.

The continued expansion of co-operative production on a national scale, aiming at lower prices in monopoly-bound branches of industry, can be hindered by Government measures and interventions in other fields of the economy. The capacity of co-operative enterprise to engage in defensive action against established monopolies may be limited by restrictive controls over capital investment, applied by administrative authorities by routine or with a false interpretation of the principles of equity, and resulting in discrimination favourable to monopoly interests in private enterprise.

On the same grounds, in periods of emergency, the dynamic growth of the Co-operative Movement, which is the foundation of the co-operative anti-monopolistic actions, may be interfered with by temporary bans on new enterprises, rigid quota systems for allocation of goods, and ill-devised systems of rationing. Statutory price-controls may be established on too-rigid principles and applied with improvised methods, with the result that price competition is discouraged and the growth of trade associations and cartels encouraged, while their public standing may be enhanced by investing them with semi-official authority.

By enlightening public opinion and bringing pressure to bear on parliamentary and administrative occasions, the Co-operative Movement, in a truly democratic environment, has good hopes of arriving at satisfactory settlements of such dissensions and disputes and to ensure the freedom of action required.

The Rôle of International Co-operation in Actions against International Monopolies.

International Co-operation, through the International Co-operative Alliance, has over a long period of years constantly demonstrated its readiness to assist, by all its forces and resources, constructive international efforts to reduce or avert the dangers of the continued spread of international cartels and combines; to reduce tariffs and other protective measures; to abolish artificial trade barriers; and to create other prerequisites for the establishment of a freer international trade exchange.

It has brought the resolutions adopted to this end by consecutive International Co-operative Congresses to the knowledge of Governments and of the United Nations Organisation, and has taken active part in the work of the United Nations in recent years to establish control and supervision of international monopolistic organisations.

It has been making untiring efforts, through the platform provided by its consultative status with the United Nations, to draw the attention of Governments to the tremendous importance of giving full implementation to Article 4 of the Atlantic Charter, providing for free and equal access for all nations to the world's raw material resources as the most effective means of shackling the predatory instincts of the big international monopolies. It has called upon the United Nations to renew its efforts to embark on an investigation of the activities of these monopolies, with a view to exposing their detrimental effects to public opinion in all countries. All these efforts should continue and should find the widest possible support from co-operators in all countries.

In the field of practical action the International Co-operative Alliance has drawn up a programme of intervention against monopolistic forces active in the international field, to be implemented stage by stage. It is becoming increasingly clear to all National Co-operative Movements that there are vast possibilities for the establishment of large international co-operative enterprises, able to put up an effective defence against even the most powerful international monopolies. Jointly owned and operated, these enterprises could cater for the largest markets with the support of the low-cost factors implied by modern large-scale production. They could embark upon scientific and technical research of their own on a scale fully comparable to that of international monopolistic combines. And, by virtue of the incentive in the co-operative form of enterprise to fix prices compatible with the interest of the consumer, they could become irresistibly effective as international price regulators.

To a limited extent these objects have already begun to find practical expression. The Scandinavian Luma Association was the first international co-operative productive enterprise to be brought into existence, though, it is true, on a regional scale. The International Co-operative Petroleum Association is an organisation with a truly world-wide scope.

Yet, both these enterprises only constitute a beginning. The difficulties lying ahead for the full realisation of the programme—the dislocation of exchanges, the barriers to international trade generally, and the power and influence of the adversaries—should not be overlooked, but neither should they form an excuse for indifference among consumers to the task in view. No National Co-operative Organisation is large or powerful enough to cope with the problem of restoring full international competition where it has been suppressed by international monopolies covering the whole world with their activities. But concerted co-operative action on a comparable international scale is bound to achieve success. And every success would be to the advantage of the consumers in all countries, even to those who would prefer to stand aside.

The opinion of the International Co-operative Movement should, therefore, be fully and effectively mobilised to combat the indifference to the goals of International Co-operation in the productive field which still

remains; and to ensure, by education and enlightenment on the vast importance of consumer interests here at stake, the rapid embarkation upon the full implementation of the programme. There is no task more urgent for the International Co-operative Movement than to take up the mobilisation of all the forces and resources at its disposal to achieve this end at the shortest possible delay.

Conclusion.

An American economist, Professor Corwin D. Edwards, has summarised the topical debate on monopoly and private enterprise in the following words:

“ In effect, those who defend private enterprise do so because of its competitive characteristics and those who attack it because of its monopolistic characteristics. The attack is effective because many elements of monopoly exist in private enterprise and because private monopoly is not really defensible. The defence is effective in so far as the system retains a predominantly competitive character and provides the results which are likely to flow from competition.”

Private enterprise still has its chance to free itself from the accusation of being infiltrated with monopolistic elements to a degree which predicts its rapid downfall as a part of ordered society. The evidence has, however, in reality, not been forthcoming in the lifetime of the present generation. No “decrees to cease and desist” seem to be really effective to stop the evergrowing misuse of monopolistic power and the superimposition of the power of private business governments on the democratic state. Action, determined and guided by the interests of consumers, is urgently needed. The will and capacity of the Consumers' Co-operative Movement to give its full contribution to this action is likely to be decisive for the shaping of the future economy in the Social State.

Resolution.

The Eighteenth Congress of the International Co-operative Alliance again draws the attention of the International Co-operative Movement to the rapidity and power with which private monopolies still are permeating economic life.

A. Monopolies and their dangers.

The public interest is to a steadily growing extent being menaced by agreements between private enterprises to restrict production, fix prices, and divide markets in order to attain high profits on investments, regardless of the consumer interests and of the stagnation or reduction of the general living standard arising therefrom.

The general economic policy of the State, in particular, through protective measures in the sphere of trade policy, have in many cases had the effect of reinforcing indirectly the powerful position of monopolistic combinations.

Unless vigorous counter-measures are brought into effect, this development, viewed as a whole, is bound to lead to a dangerous stagnation in the field of economic, technical, and social progress.

National and international cartels and combines constitute an element of resistance to the forces in the different countries and in the international organisation which are co-operating to bring about, on the one hand, an organised economy and on the other hand greater freedom in international trade, to expand world production, and thereby accelerate the enhancement of the material and cultural standards in the economically under-developed countries as well as in other parts of the world.

B. Co-operative achievements.

The National Co-operative Movements have, over a long period, been actively combating monopolistic developments. By actual interventions in branches of industry and trade dominated by monopolies they have, in a number of countries, successfully asserted the consumer's and public interest. They have enlightened public opinion and made important contributions to Governmental efforts to develop defensive anti-monopoly policies.

By collaboration in the International Co-operative Alliance they have supported the efforts to establish international control over international monopoly organisations and to implement the principle inscribed in the Charter of the United Nations that asserts the right of free and equitable access to the world's raw material resources to all nations and all forms of enterprise.

C. Practical proposals.

Considering the detrimental effects of monopoly organisations on the national and international plane, the Eighteenth Congress of the International Co-operative Alliance urgently appeals to the Co-operative Movements in all countries—

1. To take all necessary steps against abuse of monopoly power, by establishing enterprises of their own in production and distribution of goods.
2. To speed up energetically in the international field the preparations for joint co-operative action as far as co-operative production and trade exchange are concerned. Enlightenment on the dangers involved in international monopoly organisation should be intensified and support rendered to the efforts to establish an international monopoly control.
3. To impress upon Government authorities that State economic measures should not be given such protective and restrictive forms as would encourage private monopolies but instead aim at creating an internationally co-ordinated policy for economic expansion and full employment. Furthermore, the Co-operative Movement should expand its contributions to those general policies of public authorities which are designed to arrest the expansion of monopoly power and to curb the detrimental activities of monopolistic cartels and combines. It should proclaim the urgency of effective legislation against monopoly organisations of all kinds, by applying such measures as, e.g., statutory registration of cartels and combines, with accompanying publicity on the spread and methods of action of monopoly organisations. It should urge effective legislation against boycotts and discriminatory measures on the part of cartels and combines.
4. To request the International Co-operative Alliance, as a link in all those efforts, to make a renewed appeal to the United Nations for its immediate embarkation upon studies of the extension and activities of international monopoly organisation pending the assumption of this task by the International Trade Organisation.
5. To support such actions by comprehensive education and publicity designed to reach all circles of consumers, on the dangers of monopolistic organisations in order to achieve through co-operative development a steady improvement in the standard of living and in the social and cultural conditions of the people.

DISCUSSION ON MR. ODHE'S PAPER.

Mr. Thorsten Odhe, Sweden: In the paper before you I have tried to fulfil the assignment entrusted to me by the Central Committee at a time when I was still in the service of the Alliance as its Director. It deals with a subject to which I have devoted considerable study over a long period in the service of my national organisation, whose experiences, whose ways of thinking, planning, and investigations largely form the basis of my paper. For what may be judged good in it is the result of conversations with the leaders who were in the forefront of the various battles against monopolies, cartels, and combines; for its deficiencies and shortcomings I take personal responsibility.

The subject of monopolistic combinations in industry and other branches of production, and their bearing on the Co-operative Movement and its activities, has attracted the attention of the I.C.A. for a very long time, particularly after the first world war. It is possible to discern three periods in the development of the activities and policy of the Consumers' Co-operative Movement. In the very early days co-operation played a markedly passive part, surrendering to the leadership of local retailers and reaping the profit of its own greater efficiency in the form of savings, which accrued through the dividends to its members. Central co-operative wholesaling was then weak; central and local production was only sporadic. The second period was that of growing large-scale commercial organisation, with all the ensuing possibilities of rigorously influencing trade margins in wholesaling and retailing.

The third, and final, period had its beginnings when it was brought home to the Movement more and more that its trading outlets were mainly passing on monopoly-priced goods to its members, and that, if it were to exert any decisive influence on the economy of the members and the national economy as a whole, it must embark upon production on a vast and growing scale to check monopolistic exploitation by producers.

The successive stages of development have not been passed concurrently in all countries. In some countries the first stage still prevails, in others the second. In his paper to the Eleventh International Congress at Ghent in 1924, Sir Thomas Allen touched on the importance of co-operative production from this angle, pointing out that the entire field of supplying Retail Societies was within the reach of the National Wholesales. He emphasized, too, that this same field was open to trusts and combines, who availed themselves of the advantages of large-scale production and various methods of distribution with a view to exploiting co-operatively organised consumers as well as the community at large. His conclusion was that the Wholesales should embark upon production of their own in all fields necessary not only for their members but for the community as a whole.

Since the first two International Congresses after the first world war, at Basle in 1921 and Ghent in 1924, many resolutions have been adopted on this subject by the Central Committee and the Congress. In the remarkable paper on "Problems of Modern Co-operation" read at the Congress at Stockholm in 1927 by Mr. Albin Johansson, special attention

was drawn to the rapid extension of international monopolies, the great menaces involved, also the immense importance of active collaboration between the Co-operative Movements in the different countries in organising a tenable defence while there was still time and opportunity to do so. "For the intervention of international co-operation," Mr. Johansson said, "areas might also be selected where world combines control prices and mercilessly exploit their opportunities. In such cases co-operation on an international scale is the only power that can interpose with any prospect of success. Just such a development would immediately unite the Co-operative Societies of all lands in common action."

Passing over a period of ten years, I would mention the important paper on "The Development of International Exchange, General and Co-operative" read by Mr. A. J. Cleuet at the Paris Congress in 1937, in which attention was particularly directed to the implications of the principle of free and equitable access to world raw materials for the solution of the problem of international control of monopolistic combinations detrimental to international trade, and to the rôle which Governments could play in this connection.

Unfortunately, it cannot be said that the dangers of national and international monopolies have abated since these warnings and appeals for action, and joint action, at I.C.A. Congresses. On the contrary, the dangers have spread even more rapidly, whereas the appeals for joint action expressed in resolutions adopted by Congresses in the inter-war period, as well as since the second world war, have materialised only to a very slight extent. The danger of private monopoly organisation permeating ever larger sections of the national economies becomes all the more imminent as measures of State control over economic life and the continual widening of the State sector of the national economy have had, in many fields, the indirect and unintentional effect of encouraging and reinforcing private monopoly power.

In my paper I have again emphasized that the material resources of the Co-operative Movement which could be employed in defensive actions against monopolies are far from exhausted; on the contrary, they have been used only on a small scale by different National Movements, while as regards international co-operative action only the first beginnings have been made.

Notwithstanding this fact, the resolution presented to this Congress puts the emphasis on the primary importance of co-operative action to avoid the dangers of expanding monopoly organisations in a capitalist economy leading to stagnation in world production, and a stagnant, if not a lower, standard of living of the masses of consumers. This action should be two-fold: there should be national as well as international joint efforts in the fields of trade, exchange, and production; and the spread of enlightenment on the imminent and potential dangers of monopolistic organisations. The one is as imperative as the other, although perhaps the creation of an active consumer consciousness in the Co-operative Movement, then throughout the world, should take first place.

Consumers are still only imperfectly conscious of their power, and, viewing the world as a whole, they are taking a passive attitude. It should

be one of the first duties of the Movement to engender and maintain a consumer consciousness and a fuller understanding of how private monopolies, cartels, and combines menace consumers' interests. This task should, in particular, form part of the everyday activities of the I.C.A. in research, education, publicity, and propaganda, also with a view to assisting the United Nations in the work it has undertaken in this field to which the I.C.A. has already given decisive incentives. Ever since the World Trade Conference at Havana in 1947, the I.C.A. through its representatives has brought pressure to bear on the various United Nations bodies to take up the task of effective control over international monopolistic combines. That action has been taken quite apart from the I.C.A. resolution on world oil resources. It was raised at the session of the Economic and Social Council at Santiago last spring, and was introduced by the United States delegation at the last session of the Council a few weeks ago at Geneva. The outcome on the latter occasion was the adoption of a resolution providing for studies of the detrimental effects of monopolies and the possibilities of establishing international control of them such as the I.C.A. has demanded.

This development calls for an amendment to the resolution now before Congress.

The amendment is to delete paragraph 4 of Section C, Practical Proposals, and replace it by the following text: —

“To support the efforts of the I.C.A. to collect and lay before the *ad hoc* Committee on Restrictive Business Practices, which the Economic and Social Council of the United Nations has recently decided to set up, evidence of the detrimental effects of international monopolies in economic life, in the sincere hope that the investigations thus embarked upon will result in the establishment of an effective international control over such monopolies.”

I should like to add that the task before the I.C.A. is a far-reaching one, but by no means without prospects or hopes. Consumers, when they consolidate their forces, represent a power to which in the long run even the most powerful and ruthless monopolies must surrender. It is for the co-operators of the world to work out the appropriate practical measures of action and to co-ordinate their resources. Above all, it is their duty to get down to brass tacks and not to be satisfied with mere words.

In this spirit I move the adoption of the resolution, as amended, and at the same time I express the hope that there will be a fruitful debate on the practical issues of this tremendously important question.

Mr. W. Serwy, Belgium: The problem now before us is both topical and important. Its topicality is confirmed, on the international plane, by the fact that the Economic and Social Council, at its last Session at Geneva, dealt with restrictive business practices; that the Council of Europe is concerned about the supervision of business agreements; that the International Chamber of Commerce at Lisbon discussed the problem of competition and private business agreements. On the national plane, the problem has already had legislative results in many countries, while in others it is being studied by Commissions. It can be said that since the International

Economic Conference in 1927, which concerned itself actively with this same problem, unfortunately without finding a solution, it has never received so much attention as now. The problem is important because it has a bearing on an economic manifestation of the process of capitalist concentration. Its examination must be undertaken carefully because for many countries the problem is a new one. It is particularly complex owing to the fluid nature of the matters to which these measures must be able to apply.

The problem gives rise to a question of principle. Can or must business agreements between enterprises be prevented? In some respects, these agreements constitute an unavoidable evolution, and, in so far as they aim at the lessening of fluctuations in volume of production, in prices, or at the creation of research institutions for the lowering of prices, the improvement in the quality of goods, etc., it can be said that they are undoubtedly desirable. The Co-operative Movement itself shows that, in varying degrees, it is based on the principle of an agreement between those concerned (members or Organisations). However, this agreement is voluntary and shows itself in the light of day.

Practically speaking, the aim which must be achieved is to check, if not to prevent, the abuses of power which business agreements may commit. As to the measures to be taken to achieve this aim, we must distinguish between those to be applied on the national plane and those to be applied on the international plane.

On the international plane, the Belgian delegation agrees with the terms of the Resolution concerning Practical Proposals, paragraph 4, and I think there is no change of principle involved in spite of the amendment proposed by Mr. Odhe.

However, on the national plane, the Belgian delegation would like to make certain comments. Apart from the action of the Co-operative Movement, through its productive and distributive enterprises, to what measure should it give its support or what measures should it recommend? The choice of methods to be used must depend upon: the economic condition of the country in question; the nature of the matter to which the method is to be applied.

As to the application of the methods chosen, should one wait until the abuses of economic power have shown themselves before intervening? In our opinion, no. Furthermore, while there exist "visible," publicly notorious agreements, there are doubtless many which remain "invisible." Whatever the methods chosen, they must uncover such agreements and make it impossible for the quarry to escape.

In this respect, before planning a legal system, it would be essential to make enquiries into the existence and the activities of economic agreements, and for this it would be necessary to have as go-between a Commission having official powers of investigation in which representatives of the Co-operative Movement would participate.

Consequently, in order that the National Unions may apply the Resolution of Congress, there must be a measure of flexibility to meet particular contingencies in different countries.

The Belgian delegation, therefore, proposes to amend part C of the resolution, "Practical Proposals," by replacing the latter part of paragraph 3 from the words: "It should proclaim the urgency" by "It should proclaim the urgency of measures of investigation and legislation against the abuses of economic power by all kinds of organisations having monopolistic character."

Mr. H. A. Cowden, U.S.A.: The United States delegation supports the resolution, in the first place because it seems to us that it is in line with the long-established policy of the I.C.A.; secondly, because it seems to us that it is in accord with the resolution proposed by Mr. Johansson on Tuesday, which Congress approved by an almost unanimous vote.

We of the United States delegation, however, believe that we should not stop with the passing of resolutions dealing with the question of the control of monopolies and cartels. We believe that the most effective way to deal with them is through the organisation and operation of powerful and aggressive Co-operative Associations, for the reason that Co-operatives offer a way to correct the evils of monopoly without the loss of freedom. They can give ownership back to the people under the very eyes of the most powerful monopoly which ever existed.

One of the most powerful and influential monopolies is that of oil; yet in the U.S.A. we have developed large-scale and very successful Oil Co-operatives and have saved great sums for our members in competition with all the giants in the petroleum industry. It has not always been easy; we have had to fight every step of the way, but the co-operative principle has demonstrated its effectiveness in competition with the strong forces in the oil industry. In the latter part of the 1930's many of our local associations found their supplies in a very dangerous position—some of them were cut off. At that time we resolved to build a refinery, which was brought into production in 1940. In spite of the fact that there was then a surplus of crude oil, there were forces powerful enough to shut off the flow of crude oil to the first co-operative refinery in the United States. We were able, however, with the help of the Government and of that great friend of co-operatives, Franklin Roosevelt, to break their hold, and we went on to drill our own wells. Now Co-operatives operate just under 2,000 oil wells; they own leases on 425,000 acres of oil-bearing land; they own and operate 20 modern refineries, with a daily capacity of 145,000 barrels; they have made investments in these and other facilities of 75 million dollars; they now supply 16 per cent of all the farm petroleum needs in the United States, which last year amounted to one billion four hundred million gallons of gasoline, about the same quantity that was consumed in Great Britain. This we have done in a few years, and in competition with the largest and strongest oil monopoly group.

While we have been making very rapid strides in the U.S.A. the co-operative distribution of petroleum has gone ahead in other countries, and particularly in Sweden development has been very rapid. Starting in 1945, the Swedish Co-operatives last year handled 78 million gallons of refined fuels, and in Stockholm the Co-operative Society distributed 20 per cent of the total distribution. In Egypt the co-operative distribution of petroleum is growing rapidly, and is now moving towards refining and the

production of crude oil. In Canada, Co-operatives in the western provinces operate refineries and were an important factor in the extension and development of the old fields of Alberta and Saskatchewan. Only recently an international co-operative trading operation has come into existence through an agreement between the Canadian Oil Co-operatives and those of the U.S.A., under the terms of which we have control of large acreages in Southern Canada, where production will start next spring. Developments have also taken place in other countries, including Australia, South Africa, and Israel. I hope that when the next Congress meets it will be possible to report much greater progress.

Four years ago, on the basis of these experiences, we suggested the organisation of an International Co-operative Petroleum Association. Last week this Association held its fourth Annual Meeting. It was a very harmonious meeting and unity prevailed. I was able to report that the operations were expanding and substantial savings had been made. Patronage refunds which have been paid in the four years exceed the total share capital. The I.C.P.A. would have made more progress, however, if it had not been handicapped by Government restrictions and by cartels and monopolies.

That is why control over international monopolies is more important than ever, and we of the U.S.A. delegation appreciate the untiring efforts of the I.C.A. to bring pressure to bear on the Economic and Social Council during the years since the Havana Conference. These efforts, with the assistance of the United States Government, have resulted in a resolution for the investigation of the problem as a preliminary step towards effective measures to be proposed to the world's Governments. International control cannot solve the problem, but it can help our co-operative efforts to break the power of the international monopolies. We, therefore, support this resolution.

Mr. G. Benoist, France: The National Federation of Agricultural Co-operation of France supports the I.C.A. in this struggle against trusts and monopolies, for we must not forget that the two Movements of consumers and producers feel the same influences and meet the same difficulties. The refusal of these monopolies to recognise the power of Co-operation has repeatedly been pointed out. The productivity of agriculture cannot be increased as is necessary because of lack of equipment, and selling prices are too high owing to the need to re-equip and to buy every year the raw materials and goods essential for the harvest. Studies carried out in France have shown that, in reality, every purchaser is faced with a powerful combination of trusts or cartels capable—and this is very serious indeed—of limiting production, of playing a Malthusian rôle, which is opposed to the desires of all true co-operators, who seek the well-being of all. Thus, prices remain high, and we should like to see them brought down. Our Consumers' Co-operatives and Supply Co-operatives sometimes distribute the same products—copper sulphate in the regions where the vine is cultivated, sulphur, hardware—and they all encounter monopolies. Why should we not agree together to demand favourable and honest conditions?

Many of the trusts refuse to recognise Co-operative Organisations, both Consumers' and Agricultural. For instance, the French collieries refuse

to recognise our Wholesales and our Supply Co-operatives as distributors, and endeavour to divide the Movement which we in the I.C.A. are trying to strengthen through unity.

Action by the Co-operative Movement is, therefore, in our opinion, indispensable, and for another reason also. The Governments of all countries of the world have been unable to stop this capitalist coalition, which leads to the Malthusianism which I have mentioned. They have tried by means of legislation, but legislation is impracticable because it must take into account many conditions and, if only one of these conditions is not fulfilled, that is sufficient reason for the law not to be applied. The Co-operative Movement, nationally and internationally, must assure the production of the goods and materials essential for the consumers. A previous speaker said that we cannot condemn all agreements, for some may be useful to standardise products and thus lower their selling price. We, in the young Agricultural Co-operative Movement, are trying to establish collective agreements for supply with all the industrial and business associations, and the result of the first steps have been encouraging. The support of the I.C.A. in France and in all countries will be invaluable to all co-operators.

Miss L. R. Sanseverino, Confederazione Cooperativa Italiana: I have read this Paper with interest and support what Mr. Odhe says. I should like above all to express the wish that the International Co-operative Alliance, at the meetings of its Congress, its Central Committee, and its Executive, should devote a large part of the time for questions of a technical nature upon which, unless we want a policy at any price, it should be easier to reach that general agreement which is the desire of all the delegates.

With regard to Mr. Odhe's Resolution, I would stress the distinction which must be made between Organisations for economic integration in general and monopolies. I think we all agree that these Organisations for horizontal and vertical economic integration fulfil a definite need in the present position of our economic organisation. Monopolies represent, in a way, a degeneration of Organisations for economic integration, since they try to use them for the promotion of special interests, the interests of groups of individuals and capitalists.

In this sense I would propose to amend Section A of the resolution on "Monopolies and their Dangers" by adding to the first paragraph: "These agreements are in general represented as justified by exigencies of a technical kind and by the aim of effecting a reduction in the cost of production, but in reality they tend to achieve increased profits and the strengthening of the monopoly."

Another amendment, which I am more anxious about, is to add to Section C, "Practical Proposals," the words: "By establishing all mechanisms of horizontal and vertical integration which appear to be necessary with the object of obtaining a rational production and distribution of goods."

Co-operative Organisations must not overlook the existence of institutions of economic integration, but should utilise them for social aims and thus prevent them from being used for monopolistic ends in the service of private profit.

Mr. A. P. Klimov, U.S.S.R.: I would observe, in the first place, that the subject of Mr. Odhe's paper is extremely important in the present situation, because the monopolies are in the process of choking co-operation. The urgency of the question is shown by the fact that under present circumstances the concentration and centralisation of capitalism are increasing and leading to monopolies in all sections of bourgeois economy. The strengthening of these monopolies creates conditions which exist even within the public economy. From the financial and legislative points of view the rôle of the State is becoming increasingly small; not only in economic but in other fields Government intervention is becoming less and less important, and the intervention of the monopolies is becoming increasingly greater. This is true also of the schemes of nationalisation in Great Britain, under which, in the form of Government bonds, the capitalists receive profits as great as they would have derived from private ownership.

Another increasingly important question for co-operation is the rôle played by the monopolies. As Mr. Odhe has said, this growth of monopolies must react on the life of the working class, and the effect of this reaction is that the workers are becoming more and more enslaved and affected by economic crises, the danger of unemployment, and general poverty.

What is the rôle of co-operation in these circumstances? Actually, it is more and more limited. What freedom can the Agricultural Co-operatives hope for when most of the land is in the hands of large proprietors? How is it possible to speak of the development of co-operation in colonial countries when capitalism and monopolies intervene in all spheres of their economic life? The struggle of the Co-operative Movement against monopolies should be the first task of our Alliance.

I should like to refer to the remedies which Mr. Odhe proposes. How can we say that by means of co-operation a remedy is possible? We cannot but smile a little bitterly at such reasoning. In certain sectors of economy in the U.S.A., monopolies control 100 per cent, or at any rate more than half, of the activity. Mr. Odhe proposes collaboration between bourgeois Governments and co-operatives but we know that no bourgeois Government, in which monopolists are the masters, will accept such collaboration on a real basis. Many things which have been said are based on the idea that distribution and consumption are the governing factors in production. That is not so; the first factor is the means of production, the character of production, and it is production which determines distribution. The best thing to do, therefore, is to study the problem properly.

On the question of legislation against monopolies, I am in complete agreement with Mr. Odhe. It is by intensifying co-operation that we shall succeed in achieving such legislation, but, as was said yesterday, the aim of co-operation is to establish a socialist structure of society, and it is in this way that we must work within the Co-operative Movement.

Finally, one of the most important remedies is the development of trade between the various countries, and I should like to repeat the proposal which Mr. Khokhlov made to the Executive, that the I.C.A. shall be represented at the World Economic Conference which will take place at Moscow at the end of this year. This Conference will study the economic conditions of

the present-day world, and I propose that the Congress shall agree that a member of the Executive should attend as the representative of the I.C.A.

Mr J. J. A. Charbo, Holland: On behalf of the Dutch delegation, I have pleasure in supporting the resolution, not only because in our opinion it is a very good resolution, but also because it gives very good support to the day-to-day work of National Co-operative Movements.

Mr. Odhe has given us a series of convincing examples of the ways in which, and the means by which, Co-operative Organisations can succeed in their fight against monopolies and other forms of concentrated economic power. I should like to add some of our experiences in Holland because I feel that when we discuss the action which can be taken by Co-operative Movements against monopolies, we are inclined to look to those countries where the Co-operatives already occupy very important positions and are powerful enough to carry on the fight with good results. In Holland, our Consumers' Co-operative Movement is relatively small; nevertheless, we have succeeded in obtaining some very good results in our fight against monopolies and cartels.

Before the war, for instance, we had to fight against the cartel which controlled wholesale and retail trade in fuel, particularly coal. That cartel would not allow the Co-operatives to pay dividends on coal sales. We carried on the fight for some years, and we won that battle. Another very important cartel, which regulated retail prices for bread and was supported by the mill-owners, also prevented the Co-operatives from paying dividends. We won that battle before the war, but only by fighting. After the war we applied the lessons we had learned and planned to build a new mill of our own to supply the needs of our local Societies in flour. The private mill-owners tried to stop us, but they did not succeed, and we obtained the necessary Government permit. They even tried to obtain the collaboration of the Belgian mill-owners by getting them to persuade their Government to use some Benelux convention to influence the Dutch Government to refuse to give us the necessary permits and allocations and so on. But this battle was lost, too. Their last effort was to try to prevent the makers of mill machinery from giving us estimates for the installation of the new mill, but we won that battle also.

Under the present law the Dutch Government is empowered to break cartels. We have also had to fight private cartels in other fields. One was bicycles, which are very important in Holland, almost as important as in Copenhagen; another was combustion stoves. These cartels attempted to prevent the payment of dividends, but after 12 years of fighting we succeeded in reaching the position that our Government officially and formally broke down this attitude, and now we are in a position to buy these articles and pay dividends on their sale. Further, a new Bill is being prepared by which the Government will be empowered to compel members of any cartel to deliver goods under normal conditions to any buyer, including co-operative enterprises.

We have good reason to thank Mr. Odhe for his encouragement to us to go on with this work.

Mr. J. Laakso, Finland: It is appropriate that our thanks should be expressed to the Executive, and especially to Mr. Odhe for the extremely valuable paper which he has laid before this Congress on monopolies. The question is most thoroughly dealt with, and even some new aspects of the development of these organisations are pointed out. I should like to give a few particulars about the efforts which have been made in my country, more particularly by the Movement which I represent, towards achieving anti-monopoly legislation.

The Progressive Co-operative Movement in Finland at an early stage began to pay attention to the dangers inherent in the pooling of private interests. Our Congress first dealt with the subject in 1927, and, in order to focus public attention upon the subject, issued a fairly detailed declaration. This, however, led to no practical steps on the part of the Government. The question was taken up again at the 1948 Congress, on the basis of a very full report, which showed that Finland was lagging behind with regard to anti-monopoly legislation; we had not even any general stipulations which could be used as a protection against restrictive practices. It also showed that cartellisation had been expanding and that protective legislation had become increasingly necessary.

The first step, the Congress pointed out, was for the Government to make a full examination of the extent of monopolistic combinations in Finland, in order that it and the public could follow the activities of monopolies and especially cartel agreements; a State organ was required to collect and classify information which should be published. The declaration eventually approved by the Congress stated that the Government must take measures against monopolistic combinations, and also policy measures to counter price-raising policies. It also urged that such measures would clearly be inadequate, and special legislation, as in many other countries, ought to be introduced. Since no such legislation existed in Finland, the Congress entrusted the Central Union with the task of approaching the Government and requesting that a Committee be formed without delay on which the organised consumers should be represented.

The first official steps in response to this came quickly. The Government representative who was present at the Congress announced that the Government pledged itself to set up such a Committee of investigation, and one representative of our Movement was invited to join it. The activities of this Committee, however, have not developed equally rapidly, and, in fact, we are still not much further forward than we were in 1948. The Committee has tried to go into the various questions of ownership and price policy of the combinations, also other matters, but great difficulties have been encountered. It is also obvious that capitalistic enterprise takes no special pleasure in investigations of this type, nor does it lack the means of making them difficult. Whilst capitalist economists will agree that monopoly in some cases is not good for the national economy, and for consumers in particular, they show little serious inclination to investigate such practices. However it is most probable that before the end of the present year we shall have a Bill for anti-monopoly legislation before the Finnish Diet.

I hope what I have said has given a rough idea of the situation in my country. So far as the international situation and international action are concerned, we most warmly support the proposals Mr. Odhe has submitted.

Dr. H. Everling, Germany: I am very happy to state that Mr. Odhe's proposals have the full support of the German delegation and I wish to thank him for his valuable Paper, especially his concluding words this morning that co-operators have the duty to get down to brass tacks and not be satisfied with mere words.

As co-operators, we must be idealists but not illusionists, and we must rid ourselves of the idea that as co-operators we will in time be able to bring about a complete and absolute co-operative economic order. In democratic countries—and as we have heard at this Congress there are only democratic countries in the world to-day!—there will never be only one economic order, but always divisions of labour will exist between individual forms of economy. There are a number of natural monopolies—water, coal, and even iron—which, in my opinion, do not and cannot come within the sphere of co-operation, but which belong to that of the State. As for the rest of the economy, that is the part which is not State economy, in democratic countries it will always, or at least for a long time to come, form part of the capitalist economy, while part will belong to the co-operative sector.

When we consider the actual conditions in our different countries, we can, as co-operators, look to the future with the greatest confidence. The composition of the world's population is such that at least 70 per cent will always be concerned with consumers' interests. Seventy per cent of the population in every country are salary and wage earners who have an interest in the elimination of a profit-seeking economy and the introduction of a non-profit-making economy such as our own. Twenty-five to thirty per cent of the population in every country are concerned with producers' interests. If it is a fact, and it is so in Germany and most countries, that 70 per cent of the population have identical interests and that only a relatively small section are co-operatively organised, we have the assurance that, by winning the whole of that 70 per cent to our cause, we shall in time be in a position to set our social seal upon the economy of the countries. If besides such economy there is, on the one hand, private economy aiming at profit and, on the other, co-operative economy, we must in time, in view of the strength which we can develop, make our ideas predominate. This depends entirely upon ourselves, for neither States nor Governments can help us. We must manifest the force of our ideals in order to attract to the Movement those who are still outside, then we shall be able to establish enterprises which will drain away the water from the mills of private economy and channel it towards our own. Therefore, I say that we can look to the future with confidence.

Mr. N. Wood, Great Britain: In dealing with the Co-operative Movement as a means of defence against monopolies, Mr. Odhe has not brought out very clearly what is the principal reason why the Movement cannot attack monopolies wherever it finds them. It is, of course, the fact that the Co-operative Movement, being predominantly a consumers' organisation, is the strongest in the field of supplying consumer goods and all the interventions which are quoted by Mr. Odhe are in this field. On the other

hand, many of the monopolies and cartels stand further back in the productive process and take their toll at an intermediate stage between the raw material and the finished consumer goods. Two industries in Great Britain which are good examples of this are the chemical industry and the iron and steel industry.

In such cases the combined demand of the Consumers' Co-operative Movement, limited as it is to the outlets of Retail Co-operative Societies, cannot be raised to a high enough level to make co-operative production possible, particularly in a field where a large unit of investment is very often necessary. It is for this reason that Co-operative and Government action in respect of monopolies are essentially complementary. Government policy can, therefore, be more effectively directed at monopolistic restrictive practices and cartels in the field of raw materials and the intermediate products, or to giving such support to the Co-operative Movement as may be necessary to enable it to break down a monopoly or restrictive practice in consumer goods.

The first half of Mr. Odhe's paper gives an account of monopolies and various associated forms of restrictive organisation, which seems to cover most of the practices in this direction which we in Britain have encountered. Much of his case against cartels, however, would be more familiar to us if the words "trade association" were used instead. There are 2,500 trade associations in Great Britain. The need to exercise a very rigid control over production and distribution during the two world wars was a very powerful incentive in strengthening these associations, for Government departments found it convenient to be able to discuss matters affecting a whole trade with a single body.

In fact, one of the most serious difficulties in dealing with cartels or trade associations is that of sorting out the good from the bad. It is desirable that manufacturers and traders should meet to discuss common problems. The English Co-operative Wholesale Society is a member of many trade associations. A year ago we examined carefully all those we had joined, and found that the majority sought to exercise no influence over prices, but that the C.W.S. was a member of a few which included amongst their objects the fixing of prices or the allocations of quotas and supplies. Needless to say, the voice of the C.W.S. within each association was raised against these practices, and in at least two cases special provision was made in the rules exempting the C.W.S. from any obligation to follow such practices. We have no voluntary association with any price-fixing body outside the price and profit structure of the Government through the Ministry of Food and the Board of Trade.

During the past two or three decades there has been a considerable increase in the number of research associations. They work on the basic problems of the industry and make their findings available to all members. It is a method by which smaller firms can reap the benefits of large-scale research, which are often held out as an advantage of monopoly. The British Government during the past few years has sought to encourage the growth of development councils, bodies which are in fact trade associations without their harmful possibilities.

On behalf of the British delegation, I have much pleasure in supporting the resolution submitted by Mr. Odhe.

Mr. L. Smrcka, Czechoslovakia: As a director of a sector of the consumers' co-operatives, I am in constant contact with the members of co-operatives and know their opinions on the activity of monopolies. Our members have lived through it and know very well what the rule of monopolies means in the brutal Hitlerite fashion. They have lived through misery, hunger, and unemployment but now they enjoy liberty in a people's democracy with an ever-growing living standard and cultural level.

From the point of view of these experiences and the opinions of our co-operative members, I would say that the report of Mr. Odhe falls a long way short of showing the power and strength of capitalist monopolies. Sufficient concrete cases are not given of how capitalist monopolies misuse their power to dominate different countries. On the contrary, the contents of the paper give the impression that capitalist monopolies are, after all, not so dangerous, and that it is possible to restrict and reduce them by various measures. The paper is not a sufficient attack on these monopolies, but is more in the nature of a defence.

By giving several concrete instances, I should like to show the true character of the American monopolies. An American journalist, James Allen, says that the gigantic American companies have a considerable share in the production not only of the U.S.A., but of the entire capitalist world. In the report of the Commission of the American Senate which considered the question of economic concentration, attention is drawn to the fact that 63 gigantic companies, each of which disposed of a capital of more than 100 million dollars, disposed of a capital of almost 10 milliard dollars by the end of 1945. A report of the American Department of Justice on banking showed that the "great six" private banking concerns of Wall Street controlled 67 per cent of financial transactions, and that the largest of them, Morgan's, carried out transactions to the extent of 23 per cent of the total. According to the Commission of the American Senate, 250 gigantic companies control 70 per cent of all industrial production. These companies are controlled by eight financial groups. In one of the reports of a Committee of the American House of Representatives dealing with retail enterprises, it was stated that in the end the concentration of economic power would be reflected in the concentration of political power, with the result that a small group of powerful interests would control the state and the political life of the country.

The monopolist corporations spend huge sums of money on the American presidential elections, the election of representatives, and so on. In short, they buy their candidates. The monopolists spend millions of dollars on corrupting members of Congress and putting through laws which will secure them further gigantic profits and suppress all democratic movements. I might mention an article published in the *Review of International Co-operation* dealing with the tax attack against the American Co-operative Movement, in which it is said that the powerful profit-making corporations do not like to see the people managing their enterprises in this manner and returning the savings made, and that these monopolist groups had organised

a National Federation for Tax Equality to fight the Co-operative Movement. In 1950, over a million dollars were spent by this Federation in its efforts to crush the Co-operative Movement and to try to pass anti-co-operative laws.

It is clear that the monopolists have a decisive influence in a capitalist State and are the true rulers. During this Congress we have heard a great deal about real democracy and freedom, but the real power in a capitalist democracy is the power of these monopolies.

Dr. M. Bonow, Sweden: I think the discussion has shown that there is no controversy about Mr. Odhe's paper in general. I would like to tell Congress how the resolution was formulated. Mr. Odhe made a preliminary draft, which went before the Central Committee at Oslo. Following a discussion, a drafting party was formed of representatives from several countries, including Mr. Klimov, and the text they prepared is the one in the Congress Agenda. Mr. Klimov had no objection to what is in the resolution, but would have liked some further points included. That is the general background of the resolution.

Two suggestions have been made in the discussion on which I want to comment. Mr. Serwy suggested that there should be some flexibility about the methods by which national Governments might counter monopolies, but he and I have since found that the French text does not quite correspond to the English text in paragraph 3 of Section C of the resolution. We, therefore, propose, and Mr. Odhe agrees, an amendment in the English text of this paragraph to add in line 9 after "e.g." the phrase "general and special enquiries, with representation of co-operatives." I agree entirely with Mr. Serwy that we must have very flexible proposals here, so that each country can adopt those methods which would be most suitable for it with regard to anti-cartel legislation. Mr. Serwy is prepared to withdraw his amendment in favour of the one I have proposed.

Miss Sanseverino pointed out that a distinction must be made between cartels and combines which aim at reducing costs and those which aim at monopolistic price fixing. But as that has been brought out very clearly in the paper itself, I gather that she does not press the first of her amendments. As regards the second amendment which she proposed, she is anxious to have it pointed out that not only should individual National Co-operative Movements fight against cartels and monopolies, but that in some cases there should be joint action between Agricultural Co-operation, Consumers' Co-operation, and forms of Producers' Co-operation. I think that this is a fruitful suggestion and is in line with what is said in the Report on Future Policy. We could meet it by an amendment to paragraph 1 of Section C of the resolution by adding after "enterprises of their own" the words "including joint co-operative enterprises." If these words are added Miss Sanseverino will withdraw all her amendments.

Mr. J. Voorhis, U.S.A.: I have been away only a short time from my country, but I am afraid that I shall not recognise it when I get home again! I have heard many strange things about it in the course of these debates, and, if a fraction of them were true, it would mean that our country must have undergone a complete transformation since we left there two weeks ago.

We have been accused of being warmongering people. The American people, at least as much as any other people on this earth, hate, loathe, and detest war and are ready to do anything they can to avoid it. We recognise the right of every people to have the institutions they want, and, if we were not fearful that there were in the world forces determined to impose other systems on other people, we should feel quite differently. Please do not think that we like to go through what some of our boys are going through in Korea. We do it only because we believe that the United Nations is the one instrument in the world to-day which it may be possible to develop into an instrument which can really maintain peace, and if the United Nations is attacked it must be defended.

Our task in the U.S.A. is a very great one. Our country is not perfect, any more than any other country is. We have at least the virtue, however, of seeing what is wrong and facing our problems. We have a problem with respect to monopolies. There are attacks made on Co-operatives in the United States against which we are struggling with every bit of force that we have. Mr. Cowden told you this morning what the Co-operatives have done in the case of oil production, and Mr. Cluck told you yesterday that the distribution of oil in the country-side of America is done by Co-operatives. We have made some progress, but we have very far to go, and one reason is that Co-operatives are based on a sense of *need* on the part of people. Our problem is not that our people are oppressed; it is not that they have a low standard of living; but rather that we have difficulty in getting them to see that there must be a firm basis for the prosperity of our country, and that it must be based on a greater degree of co-operative development. They do not always see that need.

We came to this Congress honestly desiring to promote co-operation amongst the peoples of the world. We find it somewhat difficult to understand why there should be criticism of Mr. Odhe's paper when he calls for co-operation between Governments controlled by the people and the Co-operatives in those countries. We believe that there should be such co-operation, in a proper way. We feel that true Co-operatives stand basically for the dignity of man, as providing an opportunity whereby the little people of the world, with little capital, can put together what they have and become owners of the facilities that can meet their needs. We believe that Co-operatives stand for the opportunity for people to do that, and still to retain their freedom and every right which they now possess to change their Government at will. We can change our Government in the U.S.A., and we do it every little while; I know that, because I was once a member of Congress and I was defeated.

We do not believe that true Co-operatives can exist where anyone operates a monopoly, whatever that monopoly may be called. I say frankly that we cannot understand how an organisation where 51 per cent of the stock belongs to the all-powerful State, which in itself has a monopoly in certain kinds of trade, can be called a co-operative, particularly when the pioneers of the Co-operative Movement in that very nation have sought asylum in our country and say that they can no longer live in a land where the Movement is not free. We believe that people by joining together can solve their problems and at the same time can have economic security and

strength, and freedom. Also we believe that as security and strength, accompanied by freedom, develop in the economies of the nations the basis for peace in the world will be laid.

Our country has problems. We face them as best we know how, and we believe that we face them well. We seek an understanding with all other peoples. We would go round the world twice and wind up with a meeting in the middle of Siberia if we believed it could be a meeting on the basis of peace, of real give and take, and could put an end to the attempt of any nation to impose its system on other people who were unwilling to accept it.

I belong to groups in the United States which are committed to a programme of enforceable disarmament. We believe that peace can be achieved not by mere agreement, but by the enforcement of disarmament by some agency set up by the democratic will of the peoples of the world. We know that that means a rift in the "iron curtain" if it is to be accomplished.

We are glad that we have been here. We came because we knew that we had much to learn. You in Europe have suffered much and have accomplished much. We hope to go home and build a Co-operative Movement which will be worthy of association with the Co-operative Movements of the free nations here. We should like to see this organisation devoted wholly to the advancement not of political dictates, but of the cause of the dignity of man through the efforts of free men to solve their problems by associating together to build economic institutions which can give them literal ownership of the facilities they need and can defeat every monopoly which has ever existed.

Mr. S. Apelqvist, Sweden: In the International Co-operative Assurance Conference held in Copenhagen on 22nd September, at which a great number of co-operative assurance enterprises in various European countries were represented, one of the principal questions on the agenda was the problem of open competition or cartel agreements between assurance undertakings. From the co-operative point of view this is a very important problem. The development of international co-operative re-assurance in the years following the second world war, and the creation in 1949 of a Re-assurance Bureau, have greatly increased the possibility for co-operative assurance enterprises to be independent of the activities of cartels. After discussing this subject, the International Co-operative Assurance Conference made the following declaration unanimously:—

"We believe that co-operative assurance is the best form of assurance enterprise, because its main principle is to safeguard the interests of the policy holders and to combat monopolistic tendencies in rate-fixing organisations, whether sponsored by the State or by assurance companies themselves."

Mr. A. Reiss, Israel: We in Israel do not have any monopolistic enterprises, except those we have inherited from the mandatory Government. We fully agree that one of the main tasks of the I.C.A. is to fight monopolies, and we agree to the proposed resolution, but I wish to make a few remarks because we think that the political way is not the only way of acting.

We have had an excellent experience in our country of what co-operation can achieve for the benefit of the working masses. Some details have already been given, but I wish to point out one more fact which, in my opinion, is very important. Owing to the development of our Movement nearly 150,000 workers, about 50 per cent of the workers of Israel, are free from the exploitation of private capital. These workers have the opportunity to organise themselves and their work, to elect their management and decide on the use of the profits.

Such a development enhances the economic position held by the Co-operative Movement, in spite of existing monopolistic tendencies. This is an additional and a constructive way to fight the monopolists, but it requires the strengthening of mutual relations between the Co-operative Movements of the various countries in order to offer strong resistance to monopolies on an international basis. If such international co-operation can be brought about, by the granting of mutual financial credits and by mutual business on a much larger scale than hitherto, more effective results will be achieved in the fight against monopolies than if political means alone are adopted.

Such international co-operation would be of particular importance for the under-developed countries, which would then better appreciate the work of the I.C.A. We, in Israel, feel that the I.C.A., as the only organisation which has succeeded in bringing together all the co-operators of the world, in spite of their different political views, has the opportunity to play a most important part in preparing constructive plans for a progressive economy which will strengthen the Co-operative Movement and weaken the monopolies.

Mr. A. Korp, Austria: In his interesting Paper, Mr. Odhe has rightly pointed out that Governments cannot expect their struggle against monopolies and cartels to succeed unless they have the Co-operative Movement as a powerful ally and give the Movement the necessary freedom of action so that it may give the Government its full support.

Speaking for the Austrian delegation, I must, however, say that our Movement is still far from enjoying that freedom of action which it needs in order to give the Government the necessary support in its struggle against the exploiters of the consumers. It may seem incredible, but nevertheless it is a fact, that Austria, a country renowned for its modern social and political legislation, maintains a number of fascist laws from the 1934 to 1938 period which seriously hinder the development of co-operation. I will give just one example. We have in our country the grotesque situation that, when a Co-operative Society wishes to open a new shop, it must first ascertain the views of private traders. Our whole economy is honeycombed by a network of organisations representing traders, artisans, and industrial interests which are largely of a semi-official character, and exercise considerable influence on questions such as imports and the establishment of new enterprises.

Mr. Odhe has drawn an interesting picture of international economy as seen from a bird's-eye view of the large capitalist monopolies and cartels. We could enlarge on this, if time permitted, and show how it looks from a frog's-eye view of private trade. But there is not time for that. What

must be stressed is that the struggle must not be waged only against powerful capitalist monopolies, but also against the guild system, a remnant of the mediæval system of small retail trade.

Towards the middle of October we shall celebrate in Vienna the fiftieth anniversary of the Central Union of Austrian Consumers' Societies, "Konsumverband," and we intend on that occasion to make a strong appeal to Parliament for the repeal of these long out-dated laws. Our Federal President, Dr. Theodore Kröner, will be with us on that occasion, and we hope also to have the authority of the I.C.A. on our side in the person of Sir Harry Gill. In accordance with the Resolution submitted by Mr. Odhe, we shall take up the struggle, not only against capitalist cartels, but also against the harmful interests of the guild system, a survival of the middle ages.

Dr. G. Parisi, Confederazione Cooperative Italiana: Among the several subjects which are of interest to the Co-operative Movement, some of which have already been referred to, there has been no mention of the provision of financial resources for National Co-operative Organisations which have not adequate resources to meet their needs. I speak as a director of an important sector of Co-operation in which lack of financial means is a great obstacle to development, and I think other National Organisations must have the same problem.

Some Governments, while realising that Co-operative Societies have a valuable part to play in the economy of the country, do not realise the necessity for giving them financial aid. Thus Societies become the victims of speculation by banks which charge very high rates of interest, while credits are becoming increasingly limited because of the limitation of deposits. It is absolutely necessary to defend Co-operative Societies against this speculation, particularly in their early stages of development.

Therefore, I would like the following words to be added to the first sentence of paragraph 2, Section C, of the resolution: "and to extend this also to financial co-operation in the international co-operative field."

Mr. V. Hulduban, Roumania: Data which we have relating to capitalist countries show to what extent the monopolists have concentrated in their hands the means of production and distribution. In the case of the U.S.A., from 1936 to 1939 profits of the American monopolies were about 3.9 billion dollars a year, in 1948 they were 29 billion dollars, in 1949 they were 40 billion dollars, and in 1950 they were 115 billion dollars. During the war the monopolists made great profits at the expense of the masses of consumers. The increase of monopoly profits corresponds to increasingly difficult conditions for consumers, and the result of this policy in the U.S. is that there are at present 18 million unemployed. The combination between the U.S. Government and large-scale capitalism is obvious and is fatal to the Co-operative Movement.

While we wish to defend the living standards of the great masses of the people, the expansion of monopolies pushes Governments to rearmament, and consequently these monopolies constitute the greatest threat to peace. The Co-operative Movement must fight against the menace of

unemployment, which is one of the results of monopolies, with all the means at its disposal for the well-being of mankind.

Mr. Odhe says that in certain countries, whose Co-operative Organisations are members of the Alliance, the struggle against monopolies is not being carried on effectively. In our country the monopolies have been completely destroyed and there is no unemployment. The Alliance must fight against monopolies and in defence of peace.

Mr. L. A. Rukhadze, U.S.S.R.: A little while ago an American delegate said that he was a former member of Congress, and he said that the Soviet delegates here had stated that the Americans want war. That is not so. We do not say that the American people want war. It is the representatives of the American monopolies who want it; they would overwhelm not only co-operation but the entire world if they could, but they will not be able to do so. America is under the influence of its great cartels, and what we say is that the American people do not fight sufficiently against the trusts. Those who have studied co-operation in the truly democratic countries would like to see practical measures taken against the big monopolies, for that is where the danger lies. The danger does not come from the Polish, Roumanian, Albanian, or other co-operatives, but from the American monopolists and capitalists. To Mr. Odhe we would say that the measures which should be taken are concrete measures to arrest the development of monopolies which try to control the world through their influence. That is what we ought to say.

Mr. V. Grazia, Lega Nazionale delle Cooperative: The Italian Co-operative League is particularly interested in the serious problem of co-operation and monopolies. This fundamental problem caused alarm at the Zurich Congress of the I.C.A., and the Prague Congress stated clearly that monopolies were a menace to the peaceful development of the life of the peoples. Monopolies force the Governments of various countries to reduce democratic liberties and are a permanent cause of aggression and war.

Measures against monopolies have been asked for by several Economic Conferences, such as those at Geneva and Havana, but in spite of the controls which were proposed and despite the efforts made, we have not obtained the necessary measures. Mr. Odhe's paper refers to the dangerous action of monopolies in countries where the economy is well developed; it says that monopolies lean towards the development of particular centres of power, support reactionary movements, and endanger social progress. In our country, as you know, we have had a tragic experience of this.

It seems to me that, while the paper shows clearly that we are conscious of the serious danger of monopolies, it does not propose sufficient remedies. In several countries we find ourselves in the position of having to ask for such remedies against monopolies from Governments which may be in league with these monopolies. For instance, in our country there has been a recent law which leaves it to a cartel to carry out public tasks such as the registration of raw materials. In the international field there is talk about liberalisation which includes measures which would transform the national economy. Restrictive measures have shown themselves a fragile instrument against monopolies, quite incapable of stopping their attack against the world.

The I.C.A. and the National Co-operative Organisations, if they really want to obtain concrete results against cartels and combines, must look to the broad masses of the workers in every country, join with them in strong defensive action and in the unmasking of each individual monopolistic group. It is essential that co-operation should act in agreement with its natural allies, the trade unions and the workers generally. We represent here, as co-operators, very considerable forces, the forces of co-operation in all parts of the world. Millions of workers and consumers put their trust in our Co-operative Movement, and they are the main forces on which we must rely. If we carry on our attempts to defend and improve the standard of living of the workers and to secure peaceful conditions, we shall contribute towards the realisation of the fundamental principles laid down by Louis de Brouckère, of producing for service and not for profit.

The President: I am going to ask the Director to report on what has happened to the many amendments which have been suggested and what is the result so far as the alteration of the resolution is concerned.

The Director: As a result of conversations between the different interested delegations the resolution now stands as follows:—

Sections A and B are unaltered.

In Section C the preamble remains unchanged, but it is proposed that paragraph 1 should read as follows:—

“To take all necessary steps against abuse of monopoly power by establishing enterprises of their own, including joint co-operative enterprises, in production and distribution of goods.”

Paragraph 2 is unchanged.

Paragraph 3 is unchanged until the fourth line from the end, where the following words will be added after “e.g.”:—

“general and special enquiries, with representation of co-operative organisations, statutory registration of cartels . . .”

Mr. Odhe has agreed not to press the amendment which he proposed to paragraph 4, as the action which it recommends is actually in process of being taken.

With regard to the proposal made by the Soviet delegation, that is withdrawn on the understanding that the invitation to the Moscow Economic Conference will be considered by the Central Committee at its meeting this afternoon.

Close of the Seventh Session.

EIGHTH SESSION

Thursday afternoon.

DISCUSSION ON MR. ODHE'S PAPER (*continued*).

The President: Our first business this afternoon is to hear Mr. Odhe's reply to the discussion on his Paper and Resolution.

Mr. Odhe: At the end of my introduction I expressed the hope that there would be a full discussion, concentrating on matters which were practical and practicable. Now that I have to reply to the discussion, I should like to state that my expectations have been fulfilled to a very great extent. I have particularly to thank those who took part in the debate and who tried to throw new and complementary light on the problem under discussion. I think, for instance, of the very interesting statement made by Mr. Korp, of Austria. I should also like to express my gratitude for the very kind acceptance of my personal contribution to the debate.

Mr. Grazia, of Italy, in opening his speech, suggested that I had given on the whole a true picture of the dangers of monopolies in the democratic countries, but had not proposed sufficient remedies. I had high hopes that, as he went on, he would give us some indication of the kind of remedies that he would consider sufficient, but I could not discover anything beyond some very general recommendations for more intense collaboration between workers and consumers. In saying this Mr. Grazia did not, I assume, mean only an extended collaboration between workers and consumers such as I have recommended in my paper, but a collaboration of the intensity needed to overthrow the Government in a democratic country and introduce some type of overall State monopolies to replace private monopolies. I must say that I do not agree with him, nor do I think that the majority of co-operators, at least in those democratic countries which have been most seriously preoccupied by the fight against monopolies, agree with him on that point. I do not know about co-operators in other countries. I would say to Mr. Grazia that a headache is very unpleasant, and in some cases may even be dangerous, but I am not one of those who think that the best way of curing a man's headache is to cut off his head.

There are certainly possibilities in democratic countries of coming to grips with the monopolistic system in private trade in collaboration with Governments, and the stronger the policy of the Co-operative Movement the easier it will be for the Government to work out those measures which are needed for the effective handling of the monopoly danger. One example of that is to be found in my own country, and, if my very limited time had permitted, it would have been a great pleasure to me to give some very concrete recent examples of the advantage of this collaboration between co-operators and Governments in democratic countries.

A few delegates criticised my paper, among them a delegate from Czechoslovakia, on the ground that I had not given enough concrete examples of the injurious effects of private monopolies, nor sufficient examples of the

different injurious business practices employed by private monopolies. I should like to say to the Czechoslovak delegate that, to comply with his wishes, I would have been obliged to submit a volume of 220 or even 2,200 pages, instead of the 22 pages into which, after a strenuous effort at condensation, I was able to compress my paper. I can, however, admit that valuable assistance was given by him, as well as by other delegates from his geographical neighbourhood, in the form of a series of statistics relating to capital concentration and price indices in various countries before and after the Korean war. In this connection, I would point out to him that the basic fact which he intended to "highlight" by these figures, namely, the concentration of monopoly capital in the U.S.A., is already mentioned in my paper, where I draw attention to the outcome of the investigations undertaken a few years ago by the present Assistant State Secretary, Mr. Thorp, which showed that 200 enterprises controlled about 55 per cent of all the capital invested in American industry. That is a very high degree of concentration indeed. I also quoted examples of restrictive business practices to show the very high level of intensity at which these tendencies are making progress in many democratic countries.

I must say, however, that no other Government has made such energetic and repeated efforts to check the concentration of capital and the misuse of monopoly powers as the United States Government. In so far as these measures have not had the degree of success originally expected of them, I do not think that the reason has been any lack of goodwill on the part of the parliamentary forces. Rather, the principal reason is that the measures were to a certain extent technically ill-conceived, while their application was hindered by lack of administrative capacity and inertia amongst the executive bodies and thus subjected to legal difficulties in administering the law. It is now for the Co-operative Movement, not only in the U.S.A., but in other countries, to make further efforts on these issues and to take care that legislative measures are considered not only from the point of view of their applicability, but also of their effectiveness. This view is expressed in my paper and in the resolution.

Apart from criticisms, a great many speakers have given further and valuable enlightenment on this very difficult problem from different points of view, for which I am personally grateful. It is impossible to reply to all of them, and perhaps it is not necessary, so I will concentrate on a few of the statements made.

In the first place, Mr. Cowden told us about the process of development of the powerful Oil Co-operatives in the U.S.A. An attempt was made by the oil monopolies to check that development by establishing a boycott, but this boycott has resulted in the Oil Co-operatives having at their disposal some 2,000 oil wells, also refineries, pipe-lines, and so on. That is an illustration of the fact that planned and co-ordinated effort among co-operators is bound to have its effect in all cases of misuse of monopolistic power, and particularly where monopolies avail themselves of measures of a discriminatory character, such as a boycott. Such measures impress themselves directly on the public and show, in a more direct way than could be shown by co-operatives, what are the dangers of monopolistic developments; they also arouse an opposition which forms a good support for the Co-operative Movement at the time and subsequently.

Mr. Benoist, of France, emphasized the importance of the Agricultural Co-operatives having the support of the Consumer Co-operatives when taking defensive measures against monopolies; another speaker pointed out that collaboration between Consumers' and Agricultural Co-operative Organisations is a very urgent need if we are to come to grips in an effective way with powerful international organisations. In the Swedish Movement we realised long ago that the interests of consumers and producers are identical so far as measures of defence against monopolies are concerned, and, consequently, in a number of cases we have established joint enterprises, with a view to defending agricultural producers and also consumers against attacks by monopolies. We have done that because we know that an enhanced price for agricultural products means an enhanced retail price to the consumer. We have identical interests, which we are determined to defend jointly.

I should draw attention to the statement by Mr. Charbo, who pointed out the effective action taken by the Co-operative Organisation in Holland, although it is comparatively small in proportion to the population. When the Swedish Movement first intervened in this field it was almost exactly the same size as the Dutch Movement is now. This should be an encouragement to the Movements in countries where co-operative activities are still on a comparatively small scale not to be afraid of intervening, because as soon as effect is given to a planned and co-ordinated attack it will not only be very effective in the fields where intervention takes place, but will serve as a general warning to monopolies.

In conclusion, I would say that my paper laid emphasis on two methods of action: commercial intervention in the fields of production and exchange, and the ever-increasing process of awakening public opinion. In the early 1930's, Mr. Albin Johansson proposed that the I.C.A. should study and regularly report on all questions relating to cartels and other monopolies. Almost twenty years later a first beginning has been made by the publication of a periodical, *Cartel*. I should like to emphasize that it is sincerely to be hoped that the full resources and every possible help will be given by the International Co-operative Movement to this important branch of the activity of the Secretariat, to assure active study and research on these tremendously important problems, so that in time an authoritative world study centre may be developed within the I.C.A. Such a centre would assist the United Nations in the tremendously important task that it has embarked upon in the way of international control of cartels, and through the work of the centre the I.C.A. would have an opportunity to participate in the task of the U.N. in a way which would not be open to any other organisations.

The President: I now put to the vote the resolution as amended:—

The Eighteenth Congress of the International Co-operative Alliance again draws the attention of the international co-operative movement to the rapidity and power with which private monopolies still are permeating economic life.

A. Monopolies and their dangers.

The public interest is to a steadily growing extent being menaced by agreements between private enterprises to restrict production, fix prices, and divide markets in order to attain high profits on investments, regardless of

the consumer interests and of the stagnation or reduction of the general living standard arising therefrom.

The general economic policy of the State, in particular, through protective measures in the sphere of trade policy, have in many cases had the effect of reinforcing indirectly the powerful position of monopolistic combinations.

Unless vigorous counter-measures are brought into effect, this development viewed as a whole, is bound to lead to a dangerous stagnation in the field of economic, technical, and social progress.

National and international cartels and combines constitute an element of resistance to the forces in the different countries and in the international organisation which are co-operating to bring about, on the one hand, an organised economy and on the other hand greater freedom in international trade, to expand world production, and thereby accelerate the enhancement of the material and cultural standards in the economically under-developed countries as well as in other parts of the world.

B. Co-operative achievements.

The national co-operative movements have, over a long period, been actively combating monopolistic developments. By actual interventions in branches of industry and trade dominated by monopolies they have, in a number of countries, successfully asserted the consumer's and public interest. They have enlightened public opinion and made important contributions to Governmental efforts to develop defensive anti-monopoly policies.

By collaboration in the International Co-operative Alliance they have supported the efforts to establish international control over international monopoly organisations and to implement the principle inscribed in the Charter of the United Nations that asserts the right of free and equitable access to the world's raw material resources to all nations and all forms of enterprise.

C. Practical proposals.

Considering the detrimental effects of monopoly organisations on the national and international plane, the Eighteenth Congress of the International Co-operative Alliance urgently appeals to the Co-operative Movements in all countries—

1. To take all necessary steps against abuse of monopoly power, by establishing enterprises of their own, including joint co-operative enterprises, in production and distribution of goods.
2. To speed up energetically in the international field the preparations for joint co-operative action as far as co-operative production and trade exchange are concerned. Enlightenment on the dangers involved in international monopoly organisation should be intensified and support rendered to the efforts to establish an international monopoly control.
3. To impress upon Government authorities that State economic measures should not be given such protective and restrictive forms as would encourage private monopolies, but instead aim at creating an internationally co-ordinated policy for economic expansion and full employment. Furthermore, the Co-operative Movement should expand its contributions to those general policies of public authorities which are designed to arrest the expansion of monopoly power and to curb the detrimental activities of monopolistic cartels and combines. It should proclaim the urgency of effective legislation against monopoly organisations of all kinds, by applying such measures as, e.g., general and special enquiries, with representation of co-operative organisations, statutory registration of cartels and combines, with accompanying publicity and the spread and methods of action of monopoly organisations. It should urge effective legislation against boycotts and discriminatory measures on the part of cartels and combines.
4. To request the International Co-operative Alliance, as a link in all those efforts, to make a renewed appeal to the United Nations for its immediate embarkation upon studies of the extension and activities of international

monopoly organisation pending the assumption of this task by the International Trade Organisation.

5. To support such actions by comprehensive education and publicity designed to reach all circles of consumers, on the dangers of monopolistic organisations in order to achieve through co-operative development a steady improvement in the standard of living and in the social and cultural conditions of the people.

After a vote by show of hands The President said: The resolution is carried without any dissentient votes.

I am sure Congress would desire that I should thank Mr. Odhe for the great amount of time which he must have given to the preparation of this paper. Probably Congress has given him the form of thanks he most desires by the unanimous acceptance of his resolution, but I should like to say specifically that we thank Mr. Odhe very sincerely for the thought and the work which he has given to the presentation of this problem.

I.C.A. JUBILEE TRIENNIAL PRIZE: SECOND AWARD.

The President: Mr. Thédin will present the report of the Jurors, of whom he was one, on the Second Award of the I.C.A. Jubilee Triennial Prize.

Mr. N. Thédin, Sweden: I have pleasure in giving a very short report on this matter. The jury have unanimously decided to award the prize to Mr. André Hirschfeld, of France, who has written what we deem to be the best essay on the theme "How can Co-operative Principles be applied in Public Economy."

GREETINGS TO THE CONGRESS.

The President: There are one or two greetings which Miss Polley will convey.

The General Secretary: I think Congress will remember that on Monday morning, when we announced the representatives of International Organisations who would be here, we included the name of Judge Jesper Simonsen as the representative of the World Federation of United Nations Associations. Judge Simonsen was not able to come to the Congress, but he has sent us a telegram in which he says:

"On behalf of the World Federation of United Nations Associations, I send their best wishes for the future development of the Co-operative Movement."

A letter of greeting has been sent by the Austrian Agricultural Union, one of the recently admitted Organisations, but which unfortunately, on account of another conference which is taking place, was not able to be directly represented here.

The third greeting, which I will read, comes from Japan, from the newly-constituted Union of Consumers' Societies of Japan:—

" Fellow-co-operators of all the world! We feel extremely honoured to send our message to the Eighteenth Congress of the I.C.A. We regret that Japan has given you such troubles and has made such an indelible impression on the world since we withdrew from the I.C.A. in 1940. After the end of the war, we decided to endeavour to recover your confidence by re-starting the Co-operative Movement in our country and by making ourselves the foundation stone for the reconstruction of democratic Japan through the practice of the principles of co-operation. At present we are treading a thorny path, but the Co-operative Movement is standing firm in struggling against many obstacles. We are learning from your valuable experiences and lessons of co-operative society, and at the same time we desire to have your warm co-operation and guidance. We have determined to work again for the development of the International Co-operative Movement in collaboration with the co-operators of all other countries; therefore, we hope you will allow us to come back to I.C.A. membership as soon as possible.

" In obedience to the message which the General Secretary of the I.C.A. sent to the Inaugural Congress of the new Japanese Co-operative Union, in which she said that the first and supreme object for the International Co-operative Movement is to work together for the re-establishment and maintenance of world peace, we Japanese co-operators are struggling from day to day, determined not to have again atomic war. Before long we shall apply formally for membership of the I.C.A., and then we hope you will give us a warm embrace."

The President: So far as the first two messages are concerned, I take it that Congress will wish the General Secretary to acknowledge the good wishes; also that she should acknowledge the letter and greetings from the Japanese Union. With regard to the re-affiliation of the Japanese Union, its application, when received, will be dealt with in the usual way.

The President's proposals were approved.

DATE AND PLACE OF NEXT CONGRESS.

The President: The next business is the date and place of the Nineteenth Congress. With regard to the date, I suggest that it be three years hence. While our rules make provision for two or three years, I think we should take the longer period, but should at the same time give the Central Committee authority to convene the Nineteenth Congress at an earlier date if there should be business of a character which necessitates such a course.

The President's proposal was agreed by a show of hands.

The President: As no invitations have been extended for the next Congress, I presume it will be left to the Executive and the Central Committee to make the necessary arrangements. **Agreed.**

VOTES OF THANKS.

The President: I have now to perform one of my most pleasant tasks as far as this Congress is concerned, that is to express our thanks to the many people who have played a part in assuring such a successful gathering.

I must first refer to the Danish members of the Reception Committee, and through them to the whole of the Danish Co-operative Movement. I have said on other occasions how much we have appreciated everything they have done for us, and I do not think there is any necessity to go over that ground again. I should like to add this—as an old co-operative official in my own country I can appreciate that, with all the goodwill in the world on the part of the leaders, unless the Danish members had been behind their leaders they could not have made such splendid arrangements. I would therefore say, through the Danish leaders, to their members generally, “Thank you very much indeed. You have given us a happy time in Denmark, and many of us will take away memories which we shall never forget.”

On the technical side, many things have been done for our convenience. Some of them can be seen, but there are many that cannot be seen. The Architects' Department of the Danish C.W.S., who were responsible for all the planning of the technical work, have rendered excellent service, and I hope that our appreciation will be conveyed to them.

I would next refer to the members of the staff of the various Danish Organisations who have been always ready and waiting to render assistance to us. I know that they have been particularly useful to the platform, and I believe they have been just as useful on the floor of Congress. We shall all go away with warm feelings in our hearts for the very happy relationships which we have had with the staffs of the Danish Organisations.

I come next to a group of people without whom we could not have carried through our Congress. Our very deep thanks are due to Miss Ginsberg with her team of interpreters and technician who have made a most satisfactory job of the simultaneous interpretations: also to the technicians of the Danish C.W.S. who have assisted we express our best thanks. The interpreters have had a rough time, because it has not always been easy to follow the speakers; however, under the able leadership of Miss Ginsberg they have done well.

When you get home the first thing that you will be worrying Miss Polley about is when you are going to receive the report of the Congress. I am not going to answer that question to-day, but I am going to tell you that but for the efficiency of our stenographer, Mr. Perrott, you would not get the report at all. I say “Thank you” to Mr. Perrott and appreciate the good work he has done.

A feature of this Congress which has worked more satisfactorily than usual has been the arrangements for taking the vote. To Mr. Hemstock and his team of Tellers we give our best thanks.

Another group of people who deserve not only our thanks but also, perhaps, our sympathy are the representatives of the press. The proceedings

must have been very grim and wearisome to them at times, because they are always after "hot news." We thank them for being here and for their reports of our proceedings.

I wish also to mention the staff of the Odd Fellows' Palace. I am sure we all agree that the arrangements here have been perfect, and we owe them to a great extent to the permanent staff of the Palace.

I think our Danish colleagues would say their task has been made easier because of the co-operation which they have had, in the first place, from the town of Copenhagen. We all know the interest which the authorities of Copenhagen have taken in our Congress and the hospitality which they have given us. Secondly, without certain assistance which our Danish colleagues received from the Government of Denmark things would not have gone so easily and so pleasantly. We should like, therefore, through our Danish colleagues to thank the Government of Denmark and the Copenhagen Authorities for all they have done to make our stay happy and interesting.

There is still one other group which I must not forget—the staff of the I.C.A. As you know, several of them have been in attendance here, working in a back room, and prior to the Congress they had to work very hard in London. I should, therefore, like to include the staff at I.C.A. headquarters in this vote of thanks; they have done a very good job.

I now put this omnibus vote of thanks to all those who have enabled the work of this Congress to proceed so satisfactorily and have enabled the delegates to have such a pleasurable and interesting time in Copenhagen.

Mr. M. Brot, France: I come to the rostrum to put the last amendment to be moved in this Congress. We associate ourselves fully with the thanks that the President has expressed, but we also wish, with full hearts, to say to him how happy we have been to see him preside over us with such authority and courage. Our meetings have been guided by a masterly hand, and we thank him most cordially for having carried us through our programme so well.

The votes of thanks were carried by acclamation.

The President: While appreciating very much what Mr. Brot has said and the way in which you have received it, I would say that my thanks are really due to you all for assisting me to carry out my work as President of this Congress.

You will remember that at the opening of the Congress we stood whilst the flags of the participating countries were carried through the hall and placed on the platform. They are now to be carried in procession from the hall and this will mark the close of the Eighteenth Congress. Good wishes to you all until we meet again!

Close of the Congress.

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. List of Organisations Affiliated to the I.C.A.**
- V. Subscriptions received for the Years 1948, 1949 and 1950.**

APPENDIX I.

REPORT
of the
INTERNATIONAL CO-OPERATIVE TRADING
AGENCY, LIMITED.

The Agency was registered in October, 1937, and commenced 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 the United Kingdom 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 are now 24 Societies in membership with the Agency.

Comparative figures of turnover pre-war and post-war are as follows:

1939	£237,000
1946	41,000
1947	128,000
1948	39,000
1949	68,000
1950	353,000

Trading conditions still continue to be difficult, largely owing to controls, rationing, governmental purchases, and (in some cases) the scarcity of supplies.

The trading and registered office of the Agency is now located at 66/69, Prescott Street, London, E.1

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, to replace trade of a non-co-operative character to which the Agency has had to resort since the war.

A. MACDONALD,
Secretary.

APPENDIX II.

REPORT of the INTERNATIONAL CO-OPERATIVE PETROLEUM ASSOCIATION.

The International Co-operative Petroleum Association ended its fourth fiscal year on 30th April, 1951, with modest growth and sound financial operations despite a multitude of controls and barriers that have greatly curtailed the normal flow of international trade. Twenty-three Regional Co-operatives in almost as many countries are members of the Association. The membership would include many other large Co-operatives, except for the currency restrictions of their respective Governments. The Association has an authorised capital of \$15 million, with resources enough to assure successful operations. The headquarters are in New York City, U.S.A.

The impact of post-war developments of domestic and international nature coupled with currency devaluations have created numerous problems for the Association the past three years. With sterling and other currencies some 30 per cent cheaper in terms of dollars than at any other time in the past century, an effective barrier to imports was erected in most soft currency countries when devaluations took place. This resulted in the availability of dollars becoming the most dominant factor in governing I.C.P.A. exports from the U.S. to Co-operatives in other parts of the world. Another important factor interfering with world oil trade between Co-operatives has been the restrictions imposed by U.S. governmental authorities on the export of petroleum products from the U.S.A. or its possessions.

In many countries the Co-operatives did not import oil products prior to World War II, and in others the post-war requirements of the Co-operatives far exceeded their needs of the pre-war period. With the record of pre-war imports largely governing the permits for current imports in most countries, the importing operations of most members have been greatly handicapped. While most member associations have succeeded in obtaining import licences and dollar allocations from their respective Governments to partially satisfy their needs, much greater expansion could be expected if controls and restrictions were modified or removed.

Rendering service in the petroleum field in competition to monopolies continues to be a real challenge to Co-operatives. I.C.P.A. members with the largest distribution see the greatest need for world-wide co-operative oil trading. The ultimate consumers on different continents are well acquainted with co-operative oils and are demanding their continuation on a broader scale.

The I.C.P.A. has demonstrated its value during a period of the most trying times. It has sponsored international co-operation as the best means of meeting the human needs of the world without exploitation. Under most adverse conditions it has secured a foothold in business that is largely

monopolised by comparatively few large companies and their subsidiaries. Co-operative leaders throughout the world have known for many years that a mere denunciation of monopolies is no remedy. The positive course of constructing an international organisation capable of fighting a world profit monopoly is preferable. The I.C.P.A. has gone steadily forward with the intent purpose of reaching such strength that its rightful place in world oil trade cannot be denied.

The spirit of co-operation which has characterised the business relations between the I.C.P.A. and its member-associations the past three years could eventually exert a much greater influence in the affairs of the industry than most people realise. This modest start in international oil trade should inspire co-operative leaders to exert all the energies they possess and all the courage at their command to establish a more potent and effective organisation. With steadily increasing demand for oil products throughout the world, international co-operative trade should rapidly expand in the future. It should be an example of the struggle that must take place until international co-operation is the accepted way of life.

At this moment when the people of the world are longing for peace, a strong world oil co-operative could be a great symbol of co-operation and a powerful means of implementing world peace. The world will never enjoy peace and security until the Golden Rule is put into effect in international commerce. The only way in which that can be done is on a co-operative basis, where there is no exploitation—where the people are equal, where they share and share alike. Out of this international movement, for economic security and peace, would come many important by-products. People would have greater respect for each other and confidence in the citizens of all countries. This is the foundation upon which World Peace must be established.

HOWARD A. COWDEN,
Secretary.

APPENDIX III.

REPORT of the INTERNATIONAL CO-OPERATIVE ASSURANCE COMMITTEE.

The Assurance Committee of the International Co-operative Alliance was founded in Rome on 25th April, 1922. It is, therefore, nearly 30 years old.

The men who came into contact through the Committee did not know one another, but they were inspired by the same ideal, and soon the Rules laid down, in Article 1, the programme which the new Organisation set out to fulfil:

“The Assurance Committee of the International Co-operative Alliance has for its aims joint study, mutual information, and the promotion of international co-operative relations in the field of assurance.”

In the course of its activities, which cover a relatively long period, the Committee has studied a certain number of problems of the greatest professional interest. But two questions have dominated its discussions: the nationalisation of assurance and international co-operative re-assurance.

1. The Nationalisation of Assurance.

Within the Committee, this question has a rather paradoxical nature.

The Directors of our Co-operative Societies have an anti-capitalist conception of the organisation of society, but, as technicians, their opinion on the solution of the question of assurance in the better society which humanity is striving to build differs from that of the socialist parties.

On various occasions they have taken a positive stand against the nationalisation of assurance, as it is generally conceived, that is, State ownership.

The Conference held in Prague on 25th September, 1948, adopted the following conclusions on the report submitted by Mr. Apelqvist:—

“ The Executive emphasises that in all countries where the Co-operative Movement has the liberty and power to establish enterprises in the assurance field, and is strong enough to realise co-operative ideas for the service of the consumers, nationalisation will not be found necessary for the solution of insurance problems, apart, perhaps, from compulsory insurance of an essentially social character, pensions, for example. Experience has shown that for those services which cater directly for individual consumers and correspond to the needs of fixed individual groups, co-operative methods are superior to nationalisation.”

Since the Prague Congress, the idea of nationalisation seems rather to have receded.

Various forms of nationalisation were carried out in several countries immediately after the war, and the experiment is still going on, but it seems still too soon to be able to pass a final judgment.

2. Co-operative Re-assurance.

In this field great progress has been made since the last Conference, and, in principle, all affiliated Societies admit the advantage which would be derived from the creation of a Re-assurance Co-operative Society. But there are three great difficulties:

- (a) Too great a disproportion between the financial resources of the Societies, and a consequent variance in their capacity to cover themselves against risks.
- (b) Maintenance of a too severe legislation on currency control.
- (c) Too high costs for, at first, too small an amount of business.

At Prague a Study Sub-Committee was appointed on the recommendation of the Executive, with a view to finding a solution which would be applicable immediately. In the event of the Sub-Committee submitting a practical plan, the Executive was authorised to apply it.

In June, 1949, as a result of these studies, the Executive created a Re-assurance Bureau, and, at the Copenhagen Conference, the Secretary will present a report on the results achieved.

* * * * *

In addition to these two important questions, whose topicality remains evident, the Executive has, in the past, studied other problems and submitted its conclusions to previous conferences, for example: Fire Re-assurance, Group Life Assurance, Investments of Assurance Companies, Mortgage Loans in connection with Life Assurance, Under-Average Life Assurance, Social Activities of Assurance Companies, Death Funds.

* * * * *

Two new and particularly interesting questions will be submitted to the Conference at Copenhagen: —

Open competition or cartel agreements between Assurance Companies? Report by Mr. Apelqvist.

Is there still a need for weekly or monthly payments of Life Assurance? Report by Mr. Stor-Rank.

* * * * *

It is gratifying to record the increasing number of Societies which interest themselves in our work. The present list of members is as follows: —

Austria	Wiener Städtische Versicherungsanstalt.
Belgium	La Prévoyance Sociale.
Denmark	Alka; Tryg.
Finland	Kansa; Pohja; Vara.
Germany	Alte Volksfürsorge: Eigenhilfe.
Great Britain..	Co-operative Insurance Society.
Holland	Centrale Arbeiders.
Iceland	Samvinnutriggingar.
Israel	Hassneh.
Norway	Samvirke Skadeforsikring; Samvirke Lifsforsikring.
Sweden	Folket; Samarbete; Leire.
Switzerland	Coop-Vie.

The Secretariat is also in contact with Societies in the United States, Canada, Australia, and India, either for exchanging information or with a view to re-assurance relations.

Conclusion.

It will be appreciated from this short report that the Assurance Committee of the International Co-operative Alliance has proved its usefulness by rendering important services to its affiliated Societies.

Not only has it progressed in the field of ideas by studies and exchange of views which enrich the experience of the leaders of Assurance Organisations, but, in the sphere of practical achievement, extremely fruitful results have been obtained by the extension of co-operative re-assurance.

It is hoped, with the collaboration of all concerned, to increase continually the influence and prosperity of Co-operative Insurance Societies, and thereby to improve the well-being of co-operators throughout the world.

HENRI LEMAIRE, Secretary.

APPENDIX IV.

ORGANISATIONS AFFILIATED to the INTERNATIONAL CO-OPERATIVE ALLIANCE.

Argentina	Federación Argentina de Cooperativas de Consumo, Buenos Aires.
Australia	The Co-operative Federation of Australia, Victoria.
Austria	"Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Wien. Oesterreichischer Verband gemeinnütziger Bau-Wohnungs- und Siedlungsvereinigungen, Wien. Oesterreichischer Genossenschaftsverband, Wien. Allgemeiner Verband für das landwirtschaftliche Genossenschaftswesen in Oesterreich, Wien.
Belgium	Société Générale Coopérative, Brussels. Fédération Nationale des Coopératives Chrétiennes, Brussels. "L'Economie Populaire," Ciney (Namur). L'Institut Provincial de Coopération Agricole, Liège.
Bulgaria	Central Co-operative Union, Sofia.
Canada	Co-operative Union of Canada, Ottawa, Ontario. British Canadian Co-operative Society, Sidney Mines, Nova Scotia.
Colombia	Co-operativa Familiar de Medellín, Ltda., Medellín.
Czechoslovakia	Ustredni Rada Druzstev, Praha.
Denmark	De samvirkende danske Andelsselskaber, Copenhagen. Det Kooperative Faellesforbund i Danmark, Copenhagen.
Egypt	Société Coopérative des Pétroles, Cairo.
Finland	Kulutusosuuskuntien Keskusliitto, Helsinki. Osuustukkukauppa i.l., Helsinki. Yleinen Osuuskappojen Liitto, Helsinki. "Pellervo-Seura," Helsinki.
France	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.

Germany	Zentralverband deutscher Konsumgenossenschaften, Hamburg. Grosseinkaufs - Gesellschaft deutscher Konsum- genossenschaften, m.b.H., Hamburg.
Great Britain	The Co-operative Union Ltd., Manchester. Also about 600 Societies.
Greece	Pan-Hellenic Confederation of Unions of Agricul- tural Co-operatives (S.E.S.), Athens.
Holland	Centrale der Nederlandse Verbruikcoöperaties, Rotterdam.
Iceland	Samband Isl. Samvinnufjélaga, Reykjavik.
India	Indian Co-operative Union, Baroda.
Israel	General Co-operative Association of Jewish Labour in Erez-Israel "Hevrat Ovdim," Ltd., Tel-Aviv. "Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv.
Italy	Lega Nazionale delle Cooperative, Rome. Confederazione Cooperativa Italiana, Rome.
Jamaica	The Jamaica Co-operative Union, Ltd., Kingston.
New Zealand	New Zealand Federation of Co-operatives, Wellington.
Norway	Norges Kooperative Landsforening, Oslo.
Pakistan	Punjab Provincial Co-operative Bank, Ltd., Lahore. Punjab Co-operative Union, Lahore. All-Pakistan Co-operative Association, Lahore.
Roumania	Uniunea Centrala a Cooperativelor de Consum "Centrocoop," Bucharest.
South Africa	Pietermaritzburg Co-operative Society, Ltd., Pieter- maritzburg, Natal.
Sweden	Kooperativa Förbundet, Stockholm.
Switzerland	Verband schweiz. Konsumvereine, Basle. Verband ostschweiz. landwirtschaftl. Genossen- schaften, Winterthur.
U.S.A.	The Co-operative League of the U.S.A., Chicago.
U.S.S.R.	The All-Russian Central Union of Consumers' Co-operative Societies of the U.S.S.R. and R.S.F.S.R., "Centrosoyus," Moscow.
Yugoslavia	Glavni Zadruzni Savez, FNRJ., Belgrade.

APPENDIX V.

SUBSCRIPTIONS RECEIVED FOR THE YEARS 1948, 1949, 1950.

	1948.			1949.			1950.		
	£	s.	d.	£	s.	d.	£	s.	d.
Argentina.....	80	0	0	—	—	—	—	—	—
Australia	40	0	0	40	0	0	40	0	0
Austria	222	4	0	231	0	0	237	0	0
Belgium.....	320	0	0	310	0	0	330	0	0
Bulgaria	80	0	0	80	0	0	80	0	0
Canada	86	13	0	142	17	0	162	2	0
Colombia	6	0	0	10	0	0	10	0	0
Czechoslovakia	600	0	0	599	14	0	1,287	10	0
Denmark	480	0	0	480	0	0	480	0	0
Finland.....	910	12	0	911	13	0	911	13	0
France	1,593	0	0	1,623	7	0	1,603	7	0
Germany	80	0	0	80	0	0	728	0	0
Great Britain.....	8,086	0	0	8,462	11	0	7,865	6	0
Greece.....	80	0	0	80	0	0	80	0	0
Holland.....	297	10	0	302	15	0	302	15	0
Iceland	80	0	0	80	0	0	80	0	0
India.....	40	0	0	40	0	0	40	0	0
Israel.....	220	0	0	350	0	0	350	0	0
Italy.....	1,960	0	0	2,779	15	0	3,098	10	0
Norway.....	242	3	0	244	14	0	245	12	0
Poland	1,407	6	0	1,419	0	0	1,268	2	0
Roumania.....	80	0	0	80	0	0	80	0	0
Sweden.....	1,032	0	0	1,200	0	0	1,200	0	0
Switzerland	480	0	0	480	0	0	480	0	0
U.S.A.....	1,139	19	0	910	0	0	860	0	0
U.S.S.R.	5,000	0	0	5,000	0	0	5,000	0	0
Yugoslavia	80	0	0	80	0	0	80	0	0
	<u>24,723</u>	<u>7</u>	<u>0</u>	<u>26,017</u>	<u>6</u>	<u>0</u>	<u>26,899</u>	<u>17</u>	<u>0</u>

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