

*International
Co-operative
Alliance*

TWENTY-SECOND CONGRESS
AGENDA and REPORTS

BOURNEMOUTH

14 to 17 October 1963



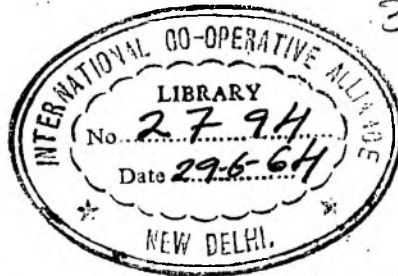
International Co-operative Alliance

11 Upper Grosvenor Street, London, W.1.

Twenty-Second Congress

Bournemouth

14th to 17th October, 1963



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Agenda and Reports

Henry Jones
Bournemouth
Oct 1963

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International Co-operative Alliance

Founded 1895

President:

M. Bonow.

Vice-Presidents:

R. Southern, A. P. Klimov.

Members of the Executive:

Ch.-H. Barbier, M. Bonow, M. Brot, G. Cerreti, J. J. A. Charbo, A. A. Drejer, L. Hietanen, A. P. Klimov, A. Korp, W. Quincey, C. Schumacher, W. Serwy, R. Southern, J. Voorhis.

Director:

W. P. Watkins.

General Secretary:

Miss G. F. Polley.

Members of the Central Committee:

| | |
|----------------------|---|
| Argentina | E. U. C. Martinez. |
| Austria | A. Korp, H. Kulhanek, L. Strobl, A. Vukovich. |
| Belgium | C. Chaput, J. Lambert, P. Lambert, J. Papart, W. Serwy. |
| Bulgaria | P. Takov. |
| Burma | Tun Win. |
| Canada | L. Bérubé, A. F. Laidlaw, R. S. Staples. |
| Ceylon | D. E. Hettiarachchi. |
| Czechoslovakia | L. Kopriva, M. Marik, J. Nepomucky, J. Podlipny, J. Sen, L. Smrcka. |
| Denmark | N. Andersen, A. A. Drejer, M. Eholm, E. Groes, K. Nielsen. |
| Finland | J. Jalava, P. Kuoppola, J. Laakso, U. Takki, L. Hietanen, V. Loppi, M. Mustonen, E. Särkkä. |
| France | M. Brot, F. Burette, M. Catelas, A. Charial, M. Degond, G. Gausel, G. Heitz, P. Raymond. |
| Germany | H. Fischer, W. Flügge, E. Hasselmann, H. Meins, E. Potthoff, C. Schumacher, C. Wiederkehr. |
| Great Britain | F. Abbots, H. Afford, H. D. Brooks, W. Quincey, R. Southern, R. Taylor, T. Weir, P. M. Williams. |
| Greece | J. Afendakis. |
| Holland | J. J. A. Charbo, J. G. Nijhof. |
| Iceland | E. Einarsson. |
| India | Brahm Perakash. |
| Israel | J. Efer, N. Verlinsky. |
| Italy | G. Banchieri, G. Cerreti, G. Tolino, L. Vigone, L. Malfettani, A. Mayr, V. Menghi, A. Rossini. |
| Japan | Y. Hasumi, S. Katayanagi, S. Nakabayashi. |
| Nigeria | D. E. Ebe, E. T. Latunde. |
| Norway | R. Haugen, R. Semmingsen, P. Søiland. |
| Pakistan | R. Ahmed. |
| Roumania | C. Mateesco. |
| Singapore | N. A. Kularajah. |
| Sweden | C. A. Anderson, S. Apelqvist, M. Bonow, G. Etzler, H. Hjalmarson, A. Johansson, N. Thedin, S. Kypengren. |
| Switzerland | Ch.-H. Barbier, E. Debrunner, W. Gnaedinger, H. Küng, H. Rudin-Dettwyler, A. Vuilleumier. |
| Tanganyika | W. R. Kapinga. |
| U.S.A. | S. Ashelman, H. A. Cowden, J. W. Koski, M. D. Lincoln, F. F. Rondeau, A. J. Smaby, D. Townsend, J. Voorhis. |
| U.S.S.R. | N. P. Abramenko, M. M. Denisov, A. A. Hodjaev, A. P. Klimov, N. P. Sai, N. P. Sidorov, D. S. Timofeev, P. Tsagareishvili. |
| Yugoslavia | D. Bajalica. |

Past Congresses

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

The Congress at Bournemouth

is held under the auspices of

The Co-operative Union, Ltd.,

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

Congress Reception Committee

President:

P. M. Williams

Representing the International Co-operative Alliance:

W. P. Watkins,

Director.

Miss G. F. Polley,

General Secretary.

Representatives of the British Union:

F. Abbotts

H. Afford

H. D. Brooks

W. Quincey

R. Southern

R. Taylor

T. Weir

J. E. D. Owen

Congress Office

The Congress Office at The Pavilion will be open for the exchange of Delegates' Credentials; the issue of Visitors' Tickets; and general information to delegates as follows:-

Saturday, 12th October..... 14.00 to 17.00

Sunday, 13th October..... { 9.00 to 12.30
14.00 to 17.00

Monday, 14th October { 8.30 to 13.00
14.00 to 17.00

Tuesday, 15th October { 8.30 to 13.00
14.00 to 17.30

Wednesday, 16th October..... { 8.30 to 13.00
14.00 to 17.30

Thursday, 17th October..... 8.30 to 12.30

Delegates should present their credentials personally at the Congress Office as soon as possible after arrival at Bournemouth and as far as possible before the Opening Day of the Congress.

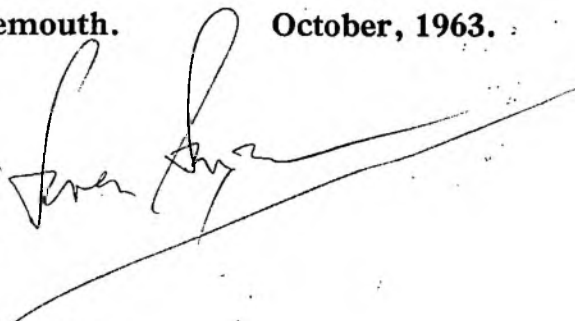
22nd International Co-operative Congress.

22ième Congrès Coopératif International.

22. Internationaler Genossenschaftskongress.

Bournemouth.

October, 1963.

A handwritten signature in black ink, appearing to be 'John King', is written over a long, thin horizontal line that spans across the page.

List of Delegates.

Liste des Délégués.

Delegiertenverzeichnis.

**Delegates of Constituent Members of the I.C.A.
Délégués des Membres Constituants de l'A.C.I.
Delegierte der Mitgliedsorganisationen des I.G.B.**

Algeria. Algérie. Algerien.

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

Argentina. Argentine. Argentinien.

Federación Argentina de Cooperativas de
Consumo, Buenos Aires Martinez, E. C.

Australia. Australie. Australien.

Co-operative Federation of Australia, Sydney... Lane, M. J.

Austria. Autriche. Oesterreich.

"Konsumverband," Zentralverband der
österreichischen Konsumgenossenschaften,
Vienna Bindreiter, W.
Hiess, F.
Korp, A.
Krämer, Frau F.
Labak, E.
Sagmeister, O.
Vukovich, A.

Bank für Arbeit und Wirtschaft
Aktiengesellschaft, Vienna Haar, J.

Belgium. Belgique. Belgien.

Société Générale Coopérative, Brussels..... Detrixhe-Ancion, Mme. C.
Devillers, V.
Lambert, P.
Leclercq, M.
Lemaire, H.
Lemaire, R.
Serwy, W.
Vandersmissen, J.

Belgium. Belgique. Belgien.—(continued).

| | |
|--|---|
| Fédération Nationale des Coopératives Chrétiennes, Brussels | Devogel, A. Ducobu, F. Eerdeken, J. Van de Walle, A. |
| Office des Pharmacies Coopératives de Belgique, Brussels | Derbaix, M. |

Bulgaria. Bulgarie. Bulgarien.

| | |
|--|--------------|
| Central Co-operative Union, Sofia..... | Jordanov, G. |
|--|--------------|

Canada. Canada. Kanada.

| | |
|--|---|
| Co-operative Union of Canada, Ottawa..... | Chapman, H. E. Janeson, Mrs. L. Lloyd, L. L. Matheson, G. L. Staples, R. S. |
| Conseil Canadien de la Coopération, Quebec ... | Légère, M. J. |

Ceylon. Ceylan. Ceylon.

| | |
|---|----------------------|
| Co-operative Federation of Ceylon, Colombo... | Hettiarachchi, D. E. |
|---|----------------------|

Cyprus. Chypre. Cypren.

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

Czechoslovakia. Tchécoslovaquie. Tschechoslowakei.

| | |
|--------------------------------------|--|
| Ustredni rada druzstev, Prague | Capek, M. Marik, M. Matejka, S. Nepomucky, J. Podlipny, J. Sen, J. Smrcka, L. Vojtechova, Miss L. |
|--------------------------------------|--|

Denmark. Danemark. Dänemark.

| | |
|---|--|
| De samvirkende danske Andelsselskaber, Copenhagen | Andersen, P. N. Bo, A. Büchert, A. Drejer, A. A. Groes, E. ✓ Möller, K. Pedersen, C. ✓ Sandø, G. Schmidt, B. |
| Det Kooperative Faellesforbund i Danmark, Copenhagen | Nielsen, K. |
| Nordisk Andelsforbund, Copenhagen | Efholm, M. |

Finland. Finlande. Finnland.

| | |
|---|---|
| Yleinen Osuuskauppojen Liitto, Helsinki..... | Hietanen, L. Laesvuori, H.-S. Loppi, V. Mustonen, M. Särkkä, E. Simonen, S. |
| Kulutusosuuskuntien Keskusliitto, Helsinki..... | Asvik, T. Henriksson, G. Jalava, J. → Kuoppala, P. Laakso, J. Lakkamäki, V. Lami, M. Manninen, H. Peitsalo, K. Rapio, P. Roine, E. Takki, U. Välimäki, A. |

France. France. Frankreich.

| | |
|---|--|
| Fédération Nationale des Coopératives de Consommation, Paris | Ardhuin, J. Bayard, A. Beaujon, J. M. Bodot, H. Bouilly, G. Bricout, R. Brot, M. Carrez, E. Catelas, M. Ciosi, — Colin, L. Colombain, M. Condery, L. |
|---|--|

France. France. Frankreich.—(continued).

| | |
|--|---|
| Fédération Nationale des Coopératives de Consommation, Paris—(continued). | Couvrecelle, M. Declocquement, A. Degond, M. Delattre, J. Dossmann, J. Dutilleul, L. Goldstein, L. Heitz, G. Kerinec, R. Lacroix, J. Machut, —. Morand, A. Orsini, R. G. Penichoux, R. Racine, —. Rousseau, G. Sery, M. Seve, —. Seyer, —. Schneider, —. Veverka, C. Zarfdjian, J. |
| Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris | Antoni, A. |
| Banque Coopérative des Sociétés Ouvrières de Production de France, Paris | Laroche, M. |
| Fédération Nationale de la Coopération Agricole, Paris | Reymond, P. |
| Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, "Foyer Coopératif" Paris..... | Robert, L. |
| Confédération des Organismes de Crédit Maritime Mutuel, Paris..... | Lecuyer, L. |

Germany. Allemagne. Deutschland.

| | |
|---|---|
| Zentralverband deutscher Konsumgenossen- schaften, Hamburg | Bergen, H. Bussman, A. Dowidat, K. Erlenbusch, W. Finkensiep, R. Frölich, O. Hasselmann, E. Herbst, F. Horn, C. |
|---|---|

Germany. Allemagne. Deutschland.—(continued).

| | |
|---|---|
| Zentralverband deutscher Konsumgenossen- schaften, Hamburg—(continued)..... | Langenbacher, M. Meins, H. Müller, H. Oldewurtel, G. Otto, H. Petersen, L. Petsch, K. Postelt, W. Reichard, W. Röder, L. Schumacher, C. Seidl, E. Stelzenmüller, G. Werk, F. Wiederkehr, C. Wiehem, H. |
| “Alte Volksfürsorge” Gewerkschaftlich- Genossenschaftliche Lebensversicherungs- aktiengesellschaft, Hamburg | Weisshaar, H. |
| Deutsche Sachversicherung “Eigenhilfe,” Hamburg | Rittner, W. |
| Gesamtverband gemeinnütziger Wohnungs- unternehmen, Cologne..... | Brueggemann, J. |

Great Britain. Grande-Bretagne. Grossbritannien.

| | |
|---|--|
| The Co-operative Union, Manchester | Abbotts, F. Brooks, H. D. Hilditch, C. C. Southern, R. Weir, T. Williams, P. M. |
| Co-operative Wholesale Society, Ltd., Manchester..... | Afford, H. Cooke, L. Quincey, W. Wood, N. |
| Scottish Co-operative Wholesale Society, Ltd., Glasgow | Bisset, W. Douglas, J. Ferguson, W. W. Taylor, R. |
| Co-operative Insurance Society, Manchester ... | Dinnage, R. Noble, K. A. Wild, A. |
| Retail Societies | Alexander, Mrs. M. Anderson, Mrs. M. Applegate, F. Atkins, Mrs. M. J. |

Great Britain. Grande-Bretagne. Grossbritannien—(continued).

Retail Societies—(continued) Atkins, Miss G. A.
Atkinson, H.
Baker, Mrs. J.
Blaseby, C. A.
Bradley, Mrs. G.
Bradshaw, Miss N.
Brennan, E. E.
Brooks, E. J.
Bush, Mrs. M.
Buttery, S. T.
Campbell, Mrs. M.
Charlton, J. W.
Clarke, F. J.
Clarke, S. G.
Clayden, H. J.
Coats, A. G.
Codd, E.
Crabb, T.
Dallender, D. A.
Dare, Mrs. J.
Davey, A. W. E.
Davies, D. E.
Davies, Mrs. F. E.
Davis, D.
Davis, T.
Davison, C. J.
Day, Mrs. F. B.
Decker, R.
Double, Mrs. B. E.
Downing, Miss A.
Duncan, W. A.
Dunwoodie, D.
Dutton, W. E.
Eden, H. K.
Elias, Mrs. M. R.
Elderfield, P.
Evans, I. L.
Fancy, W.
Farleigh, Mrs. E.
Fleming, T.
Forman, Mrs. B.
Forrest, J. H.
Forsyth, C. T.
Fox, H.
Foy, Mrs. J.
Francis, Mrs. F. E.
Garrett, R. B.
Graney, B.
Gray, W. B.
Geddes, C. L. M.
Green, Mrs. L. E. W.
Gwinnett, T.
Haynes, H. F.
Haywood, W. F.
Hazell, W.
Jackson, A.
Jacques, F.
Job, C. C.
Johnson, F.
Johnston, Mrs. M.
Jones, H.
Kay, J. B.
Kelly, Mrs. M.

Great Britain. Grande-Bretagne. Grossbritannien—(continued).

Retail Societies—(continued) Kettle, R. W.
 King, H.
 Large, W. H.
 Lewis, R. J.
 Litster, Mrs. F.
 Long, H.
 Longstaff, F. J.
 Lonsdale, Mrs. M.
 Lowe, E.
 Lyall, W.
 Lynn, A. E.
 MacFarlane, G. R.
 McCarthy, G. W.
 Mackin, D.
 Mahon, J.
 Marron, T. F.
 Massey, H.
 Meakin, S.
 Moore, C.
 Munro, Mrs. R. E.
 Murphy, J.
 Oakes, A. W.
 Oakley, F.
 O'Connor, Mrs. A. E.
 Oram, A. E.
 Owens, R. J.
 Paine, G. A.
 Palmer, C.
 Palmer, F. J.
 Parker, J. E.
 Parkins, A. D.
 Pentney, J. H.
 Perry, Mrs. M. E. A.
 Pilling, R. G.
 Poole, P.
 Powell, E.
 Ravenhill, E. J. H.
 Reid, J.
 Rollins, E. T.
 Schicker, J.
 Shaw, D.
 Sheppard, R. J.
 Shepherd, C. W.
 Shepherd, G. H.
 Sissons, W. J.
 Skidmore, Mrs. D.
 Smith, G. J.
 Smythe, E.
 Spears, E. G.
 Stockdale, W.
 Scholefield, A.
 Stringer, S.
 Tallentire, Mrs. F. E.
 Taylor, G. A.
 Timms, Mrs. M.
 Trollope, W. F. C.
 Trotter, J. A.
 Trotter, —.
 Wakefield, W. A. S.
 Wanless, T.
 Welton, Mrs. D.
 Wood, J. H.
 Woods, Mrs. A.

Greece. Grèce. Griechenland.

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

Holland. Pays-Bas. Niederlande.

Coöperatieve Vereniging u.a. Centrale der Nederlandse Verbruikscöoperaties
Co-op Nederland, Rotterdam Charbo, J. J. A.
Groenewegen, G. G.
Netten, J. F. van
Nijhof, G. J.
Quast, H.
Swiebel, P. W.
Toussaint, I. P.

Iceland. Islande. Island.

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

India. Inde. Indien.

National Co-operative Union of India, New Delhi Perkash, B.
National Agricultural Co-operative Marketing Federation, New Delhi Deshmukh, P. S.
All Bombay Consumer's Co-operative Societies Federation, Bombay Kaka, M. N.

Iran. Iran. Iran.

Army Consumers' Co-operative Society, Teheran Sassani, J.

Israel. Israël. Isralien.

Hevrat Ovdim, Tel-Aviv Efter, J.
Guelfat, I.
Moshcovitz, Mrs. M.
Repetur, B.
Verlinsky, N.
"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv... Vinizky, B.
"Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, Tel-Aviv..... Berent, S.

Italy. Italie. Italien.

| | |
|---|--|
| Lega Nazionale delle Cooperative e Mutue, Rome | Banchieri, G. Briganti, W. Cerreti, G. Cerrina, Mlle. N. Cesari, M. Ciocca, R. Crisanti, Mme. L. Curti, I. Ferrari, E. Ferri, G. C. Gaeta, O. Gasperi, L. Mazzanti, R. Olmini, C. Pagnanelli, A. Pasquali, L. Paolicchi, S. Sacchetti, W. Spallone, G. Spezia, M. Tolino, G. Vigone, L. |
| Confederazione Cooperativa Italiana, Rome..... | Avenati, C. A. Barbareschi, R. Casieri, L. Compiani, G. Maggiore, M. Malfettani, L. Mayr, A. Menghi, V. Mondini, E. |
| Associazione Generale delle Cooperative Italiane, Rome | Chiaraviglio, C. d'Amore, P. Ippolito, G. Rossini, A. Zoli, —. |

Japan. Japon. Japan.

| | |
|---|-----------------|
| Zenkoku Nogyokyodokumiai Chuokai, Tokyo... | Hasumi, Y. |
| Nippon Seikatsu Kyodokumiai Rengokai, Tokyo | Nakabayashi, S. |

Malaya. Malaisie. Malaya.

| | |
|---|-----------------|
| Co-operative Union of Malaya, Kuala Lumpur... | Hourmain, A. |
| Federation of Co-operative Housing Societies, Kuala Lumpur | Krishnan, P. R. |

Mauritius. Ile Maurice. Mauritius.

Mauritius Co-operative Union, Port Louis Rose, R.

Nigeria. Nigeria. Nigerien.

Co-operative Union of Eastern Nigeria, Aba ... Ebe, D. E.

Co-operative Union of Western Nigeria, Ibadan Latunde, E. T.

Norway. Norvège. Norwegen.

Norges Kooperative Landsforening, Oslo..... Broch, Mrs. M.
Gulbrandsen, N.
Haugen, R.
Hovind, C. O.
Nilssen, S.
Ovesen, Miss L.
Søiland, P.
Svensson, S.

Pakistan. Pakistan. Pakistan.

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

Karachi Co-operative Housing Societies' Union,
Karachi Shirazee, J. H.

Karachi Co-operative Institute, Karachi Naqvi, M. H.

Sind Regional Co-operative Bank, Karachi Dhakan, A. N.

Karachi Central Co-operative Bank, Karachi ... Ahmad, G.

East Pakistan Co-operative Union, Dacca..... Ahsan, A. K. M.

Roumania. Roumanie. Rumänien.

Centrocoop, Bucharest..... Mateesco, C. T.

Singapore. Singapour. Singapur.

Singapore Co-operative Union, Singapore Raju, N. G.

Sweden. Suède. Schweden.

| | |
|--|--|
| Kooperativa Förbundet, Stockholm | Ahlberg, Mrs. S. Ames, J. Anderson, C. A. Apelqvist, S. Back, K. Bonow, M. Carlsson, A. Dahlander, G. Eriksson, Miss I. Eronn, L. Etzler, G. Grahm, K. Hjalmarsson, H. Johansson, A. Kéler, G. Kjellberg, S. Lindberg, K. Lindskog, C. Lundberg, B. Lundberg, J. Mathsson, B. Moback, O. Nordh, K. E. Odhe, T. Sohlenius, H. Ström, Mrs. T. Thedin, N. Tronët, B. Widhê, Mrs. E. |
| Sveriges Lantbruksförbund, Stockholm | Svärdström, K. F. |
| Hyresgästernas Sparkasse- och Byggnadsför- eningars Riksförbund u.p.a., Stockholm ... | Kypengren, S. |
| Svenska Riksbyggen, Stockholm..... | Blomqvist, G. |
| Kooperativa Kvinnogillesförbund, Stockholm... | Krook, Mrs. S. |

Switzerland. Suisse. Schweiz.

| | |
|--|---|
| Verband schweiz. Konsumvereine, Basle..... | Barbier, Ch. H. Berger, R. Dietiker, H. Giger, P. Gigon, J. Gnaedinger, W. Küng, H. Naef, E. Ressiga-Vacchini, G. Schluep, H. Schneider, F. Thuli, H. Travelletti, Fri. A. Vuilleumier, A. Ziegler, Frau G. |
|--|---|

Switzerland: Suisse. Schweiz.—(continued).

Genossenschaftliche Zentralbank, Basle..... Bleile, W.
COOP Lebensversicherungs-Genossenschaft
Basel Debrunner, E.

Tanganyika. Tanganyika. Tanganyika.

Co-operative Union, Dar es Salaam..... Kapinga, W. R.

U.S.A. Etats-Unis. Vereinigte Staaten.

Co-operative League of the U.S.A., Chicago ... Cowden, H.
Culbreth, H. W.
Doss, B.
Dunlap, G. H.
Faris, H. M.
Fox, G.
Grady, P. D.
Heckathorn, H. D.
Hutchinson, H.
Koski, J. W.
Kyle, J. W.
Lewis, J. M.
Lincoln, M. D.
Long, R.
Metzler, H. R.
Nelson, O.
Owen, F. S.
Phillips, E.
Probasco, K.
Rondeau, F. F.
Sandbach, W.
Scarff, M. M.
Scull, D. H.
Smaby, A. J.
Snyder, G.
Stanfield, D.
Stitzlein, C.
Stratton, J. G.
Thornthwaite, F.
Valko, L.
Varian, R. H.
Voorhis, J.
Wachsmuth, C. B.
Walther, H.
Weller, W.
West, J. H.
Wise, C. E.
Wood, R. W.
Woodcock, L. E.

U.S.S.R. U.R.S.S. U.d.S.S.R.

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

Charchoglyan, A. A.
Denisov, M. M.
Ilyashev, R.
Klimov, A. P.
Krumin, I. A.
Nevskiy, E. N.
Presnova, Miss A. D.
Sai, N. P.
Shiryaev, N. K.
Utkin, M. G.
Voloshin, F. F.
Zagulina, Mrs. V. S.

Yugoslavia. Yougoslavie. Jugoslawien.

Glavni Zadruzni Savez, Belgrade Janjic, V.

Twenty-Second Congress of the I.C.A.

at

The Pavilion, Bournemouth

Order of Proceedings

First Session.

Monday, 14th October.

9.00 **Opening of the Congress.**

**Welcome on behalf of the Civic Authorities of
Bournemouth.**

Welcome on behalf of The Co-operative Union.

**Inaugural Address of the President of the I.C.A. -
Dr. M. Bonow.**

Reception of Fraternal Delegates and Guests.

Greetings from International Organisations.

Appointment of Congress Committee.

Appointment of Tellers.

**Report of the Central Committee on the Work of the I.C.A.,
1960 - 1963.**

12.00 **Congress will adjourn.**

Second Session.

- 14.00 Discussion on the **Report of the Central Committee.**
17.00 Congress will rise.

Third Session.

Tuesday, 15th October.

- 9.00 Discussion on the **Report of the Central Committee** concluded.
Reply to the Discussion.
12.00 Congress will adjourn.

Fourth Session.

- 14.00 **Reports of Auxiliary Committees.**
Resolutions on the Report of the Central Committee.
Amendments to the Rules of the I.C.A.
Resolutions of Affiliated Organisations.
17.00 Congress will rise.

Fifth Session.

Wednesday, 16th October.

- 9.00 **Long-Term Programmes of Co-operative Promotion and the Conditions of their Realisation.**
Paper by Mr. W. P. Watkins, Director, I.C.A.
12.00 Congress will adjourn

Sixth Session.

- 14.00 **Long-Term Programmes of Co-operative Promotion.**
Discussion continued.
- 15.30 **Economic Integration and Co-operative Development.**
Paper by Mr. Thorsten Odhe, Sweden.
- 17.00 Congress will rise.

Seventh Session

Thursday, 17th October.

- 9.00 **Economic Integration and Co-operative Development.**
Discussion continued.
- Resolution on the Paper.
- 12.00 Congress will adjourn.

Eighth Session.

- 14.00 **Election of the Central Committee.**
- I.C.A. Jubilee Triennial Prize -**
Decision of the International Jury on the Sixth Award.
Recommendation of the Central Committee concerning
Future Awards.
- Report of the Congress Committee.**
- Votes of Thanks.**
- Date and Place of the 23rd Congress.**
- 17.00 **Close of Congress.**

Standing Orders

Governing the Procedure of Congress.

The Congress Sessions.

1. Provision shall be made for the proceedings of the Congress to extend over four full days of two Sessions each.
2. No Auxiliary Conference shall take place during the Sittings of the Congress, and all social functions, excursions, or visits during the periods allocated for the Sessions of the Congress, or which would in any way hinder the work of the Congress, shall be strictly eliminated.
3. The President of the I.C.A. is responsible for conducting the business of the Congress, assisted by the members of the Congress Committee, in so far as they are called upon by the President to do so.
4. A time-table shall be prepared for the discussion of each subject which shall be strictly adhered to, subject only to such modifications as the Congress Committee may find necessary for the admission of urgent motions under Article 25.

Official Languages.

5. The business of the Congress shall be carried on in such of the Official Languages—English, French, German, and Russian—as the Central Committee shall decide. Any delegate who is unable to express himself in either of the official languages of the I.C.A. may be accompanied by an interpreter, approved by the I.C.A., who shall interpret from the native language of the delegate into one of the official languages; interpretations into the other languages in use at the Congress shall be made by the official interpreters.

The names of personal interpreters must be forwarded to the General Secretary of the I.C.A. at least two weeks before the date of the Congress. Whenever possible the personal interpreter shall be included in the number of the official representatives of the Organisation concerned.

6. No delegate, except the President in the chair, shall be permitted to deliver his speech in more than one language.

7. All printed matter relating to the Congress shall be issued in the official languages in use at the Congress. Each delegate shall be entitled to one set of documents in the official language of his or her choice.

Order of Debate.

8. Delegates desiring to speak on any subject must hand in their names in writing. As a rule they will be called upon in the order in which their names are received, but in the discussion of definite motions the President may call upon supporters or opponents of the motion to speak alternately.

9. Each delegate who rises to speak must address the President and direct his speech to the motion or question under discussion or to a question of order.

10. Each speaker shall be allowed five minutes, except the mover of a motion or amendment or the mover of a paper, and no delegate shall be allowed to speak more than once on any one subject except the mover of a motion or amendment or of a paper.

11. The mover of a motion or an amendment shall be allowed ten minutes for his speech and five minutes in which to reply to the discussion before the motion or amendment is put to the vote. Such reply must be strictly limited to points raised in the discussion.

12. Any speaker may be accorded an additional five minutes by the decision of the Congress, the question being put without discussion.

13. The mover of a paper shall not be subject to a fixed time limit in presenting his paper but, if the time-table demands, a time may be fixed by the President. The mover shall have fifteen minutes in which to reply to the discussion on his paper.

14. When more than one motion or amendment is submitted for discussion on any item of the Agenda (except motions of procedure and formal matters) they shall be referred to the Congress Committee, which shall endeavour to prepare an agreed text.

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

15. The mover of any motion or amendment shall have the right to attend the meeting of the Congress Committee to support his motion.

16. When any motion or amendment has not been approved by the Congress Committee the mover shall have the right to speak for five minutes when the recommendation of the Committee is presented.

17. The discussion on any question may be closed by a motion "that the question be now put." Such motion must be moved formally and may only be moved by a delegate who has not spoken on the question under discussion. If the motion for the closure is seconded, the President shall put it to the vote. If the motion is accepted the mover of the original motion or amendment shall have the right to reply before the vote is taken. If the motion for the closure is rejected the mover of the closure motion shall have no further right to speak on the question under discussion.

18. Fraternal Delegates and Guests may, with the consent of the Congress Committee, address the Congress on any subject under discussion but may not vote.

Voting.

19. All motions shall be decided by a show of hands unless ten of the delegates demand a count. In cases of doubt, also, a count shall be taken. The vote on any question may be decided by a ballot on the demand of one-fifth of the delegates present.

20. Organisations which are entitled to more than one vote may entrust their votes to a single delegate, provided, however, that no one delegate shall use more than ten votes.

21. The President shall have only one vote. In the case of an equality of votes being cast on any question the President shall declare the proposition "Not carried."

22. Voting Cards shall be provided for use in all cases in which a demand for a count is made under Standing Order No. 19.

23. The voting shall be certified by the General Secretary under the supervision of the Congress Committee.

24. Such number of tellers as may be required shall be appointed by the Congress at its first sitting.

25. Personal explanations are only admissible at the end of a debate and after the voting has taken place.

Emergency Appointments.

26. Any delegate whose appointment has not been previously notified shall only be admitted by handing in to the Congress Committee satisfactory evidence of his or her appointment.

Report of the Central Committee on the Work of the International Co-operative Alliance 1960—1963

Introduction

The discussions and decisions of the Congress of Lausanne in 1960, dominated as they were by the idea of "a changing world" in rapid evolution, foreshadowed important changes in the work of the International Co-operative Alliance. The pages which follow reveal how far the changes then expected have been realised in the past three years. The Lausanne Congress made no significant alterations in the policy of the Alliance or the definition of its aims; rather did it endorse lines of development which had already been pursued or which were proposed for the immediate future, while providing increased financial means for the expansion envisaged. On the other hand, it called attention in an impressive manner to the urgent need for adjustments, some of them far-reaching, in the structure of the Co-operative Movement at all levels in response to the rapid transformation of its economic and social environment.

One of the important tasks of the Central Committee was, therefore, to stimulate the implementation by the Alliance, its affiliates and its Auxiliary Committees, of the Lausanne resolution on "Co-operation in a Changing World." While the action of the Central Committee is summarised in the body of this report, the problems, solutions and methods reported by the National Affiliated Organisations in reply to the enquiries instituted by the Central Committee are given in an Appendix which, to some degree, measures the reaction of the Movement to its altered competitive situation.

One element in this situation has received special attention. This is the changed position of the whole body of consumers vis-à-vis new products, new methods of selling and presentation, contemporary techniques of advertising and sales promotion, and other features of the revolution in distributive trade. The line of action indicated by the resolution on The Health of Consumers passed by the Stockholm Congress of 1957 has been steadily pursued. The result is that a fresh field of activity has been entered by the Alliance which has been obliged to equip itself with a new Working Party and a special publication on consumer affairs, besides increasing its research staff.

While the chief concern of many of the older members of the Alliance is to maintain their hold on the ground already won for Co-operation in their national economies, the younger Organisations in the newly-developing countries, which constitute an element in I.C.A. membership of ever increasing magnitude, are many of them still struggling for a firm foothold and searching for the leadership and competence in management and administration indispensable to their

efficiency and sturdy growth. The consciousness of their common needs tends to draw them together in regional associations complementary, rather than opposed, to wider association in the I.C.A. In Asia this situation was met by the establishment of the Regional Office and Education Centre for S. E. Asia which, in the last three years, have already forged essential links, not only amongst the affiliated Organisations in the region, but also between them and the Alliance. The proof is to be seen in the growing effectiveness of the Advisory Council, representative of these Organisations, which is regularly consulted on the work and programmes of the Office and the Centre. In Africa and Latin America regional organisations have now been formally constituted. The relation of these bodies to the I.C.A., both constitutionally and, more important, for the practical purposes of the promotion of Co-operation, presents a problem for the immediate future. Meanwhile, continuing the exploration and research indicated in its Long-Term Programme of Technical Assistance, the Alliance is deepening its understanding of the difficulties in the way of co-operative development in all the developing regions.

Noteworthy during the period since Lausanne Congress is the increasing collaboration between the International Organisations, Governmental and Non-Governmental, concerned with the promotion of Co-operation. More or less regular meetings are now held for the joint review of work done or contemplated and the discussion of common problems. A growing interest in Co-operation is manifest among a number of the International Non-Governmental Organisations in Category A consultative status with the United Nations and their requests to the I.C.A. for advice and information have grown more frequent. There can be no doubt that the tide is still flowing strongly in favour of Co-operation in the newly-developing regions. The calls for expert help, suddenly multiplied by the rapid access to independence of African nations, have greatly exceeded the supply of experienced and trained Co-operators competent to give it, and have compelled the International Organisations to consider how the need can best be met.

Finally, it may be claimed that the standing and influence of the Alliance have increased during the last three years. The reception given by the UN Economic and Social Council and the International Labour Conference to its statements on Housing, the acceptance by the Director General of FAO of its suggestions for an enquiry into the finance of agricultural and co-operative development, the request of the Economic Commission for Europe for help in the study of distribution and methods of ascertaining consumer needs, the resolution of the Economic Commission for Asia on the potentialities of Co-operation for economic development, all bear witness to the authority of the I.C.A. as the representative of Co-operation throughout the world and point to the varied opportunities and responsibilities now offered to it by a world in evolution.

Membership

The increasing presence in the I.C.A. of Co-operative Organisations of the developing countries which was emphasised at previous Congresses is apparent from a perusal of the Directory of Affiliated Organisations published regularly in the *Review of International Co-operation* as well as in the records of Congresses.

New member Organisations since the last Congress are -

Europe -

Nordisk Andelsforbund, Copenhagen, Denmark.
L'Association Bâticoop, Paris, France.
Confédération des Coopératives de Construction et d'Habitation, Paris.
Sveriges Landbruksförbund, Stockholm, Sweden.
Deutsche Sachversicherung Eigenhilfe, Hamburg, German Federal Republic.
Bank für Gemeinwirtschaft, Hamburg.
Farmers' Central Co-operative Society, Malta.
Associazione Generale delle Cooperative Italiane, Rome.

Asia -

National Agricultural Marketing Federation, New Delhi, India.
All-Bombay Consumers' Co-operative Societies Federation, Bombay, India.
Karachi Co-operative Housing Societies' Union, Pakistan.
Karachi Central Co-operative Consumers' Union.
Karachi Co-operative Institute.
Karachi Central Co-operative Bank.
*Fishermen's Co-operative Purchase and Sales' Society, Karachi.
Sind Provincial Co-operative Bank, Karachi.
*Sarawak Co-operative Central Bank.
Cyprus Turkish Co-operative Central Bank, Nicosia.
Vine Products Co-operative Marketing Union, Limassol, Cyprus.
*Confederation of Agricultural Co-operatives Federation, Korea.
Co-operative Union of East Pakistan, Dacca.

Africa -

*Centre National de la Coopération, Ibadjan, Ivory Coast.
Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la
Petite Propriété, Algeria.
Co-operative Union of Tanganyika.

America -

Dominica Credit Union League, Dominica, West Indies.

The importance of the Agricultural sector of the membership has been further increased by the new affiliations from Sweden, India, Cyprus and Malta, and of the Housing sector by new affiliations from France, Algeria and Pakistan.

The latest information shows that the Alliance includes in its membership, National Co-operative Organisations in 53 countries, which together comprise 533,800 Societies and 174.4 million individual members.

The composition of the membership according to types of Societies in 1961 - the latest year for which complete figures are available - compared with the 1958 figures reported at Lausanne was -

* Associate Members.

| | | | | | |
|--|------|---------|------|------------|-----------------|
| Consumers' | 1958 | 49,032 | with | 71,550,795 | members |
| | 1961 | 45,713 | „ | 79,183,676 | „ |
| Workers' Productive and Artisanal..... | 1958 | 32,273 | „ | 2,846,332 | „ |
| | 1961 | 53,073 | „ | 4,181,712 | „ |
| Housing | 1958 | 13,347 | „ | 3,125,124 | „ |
| | 1961 | 16,305 | „ | 3,450,713 | „ |
| Agricultural | 1958 | 101,774 | „ | 19,942,600 | „ |
| | 1961 | 100,499 | „ | 24,914,487 | „ |
| Credit | 1958 | 269,371 | „ | 40,770,136 | |
| | 1961 | 306,277 | „ | 50,981,283 | „ |
| Fishery | 1958 | 7,981 | „ | 1,392,644 | „ |
| | 1961 | 8,692 | „ | 1,463,663 | „ |
| Miscellaneous | 1958 | 5,934 | „ | 7,157,785 | „ |
| | 1961 | 3,257 | „ | 10,207,240 | „ |
| Insurance | 1958 | 61 | „ | 52,581,611 | insured persons |
| | 1961 | 62 | „ | 55,621,435 | „ „ |

The question of **Eligibility for Membership** was discussed at the Lausanne Congress on the Report of the Central Committee – which recalled the measures taken by the Committees and by Congress to meet the situation which had arisen by the re-organisation of former member Co-operative Organisations into state-controlled movements – also on a Resolution proposed by Centrosoyus, Moscow, which on a vote was rejected by 410 votes for, to 810 against, the desire of this Resolution being to admit to full membership, irrespective of the political and social structures of the State to which they belonged, all National Co-operative Organisations whose aims and objects complied with the Rules of the I.C.A.

In the past three years the question of eligibility has been introduced and discussed at several meetings of the Executive and Central Committee, but on each occasion the decision of Congress has been upheld by the majority of the members present.

The Committees of the I.C.A.

Under the amendments to Article 28 of the Rules, adopted by the Congress at Lausanne, which changed the entitlement to additional representatives on the Central Committee from each complete £200 subscription to each complete £400, and reduced the maximum representation of any one country or union of countries from ten to eight members, **the Central Committee** now comprises 116 members, representing affiliated Organisations in 31 countries.

The Committee has held three meetings: at Stockholm, July, 1961, The Hague, April, 1962, Stuttgart, April, 1963, and will hold its statutory meeting at Bournemouth on 13th October.

The Executive met at Lausanne immediately following its election and subsequently has held meetings at Copenhagen, January, Stockholm, July, Athens, September, 1961; Geneva, January, Scheveningen, April, Helsinki, September, 1962; also at Tel-Aviv, January, 1963, Stuttgart, April, Paris, July. The last meeting of the present Executive will take place at Bournemouth on 12th October.

The Executive Sub-Committee of which Dr. Bonow, Mr. Barbier, Mr. Brot, Mr. Charbo, Mr. Schumacher, Mr. Serwy, and Mr. Southern are members, at its several meetings has been primarily concerned with the preparatory action for giving effect to the scheme for the re-organisation of the Secretariat which was approved by the Central Committee in May, 1960, but was in abeyance until after the Congress.

The Technical Assistance Sub-Committee, whose members are Dr. Bonow, Mr. Barbier, Mr. Brot, Mr. Drejer and Mr. Southern, normally meets on the eve of Executive meetings. It has as its principal task to keep in touch with, and direct, the work of the Regional Office and to plan technical assistance projects to be carried out by the Officers.

At the end of 1961, the Sub-Committee was unexpectedly faced with the problem of finding a successor to U Nyi Nyi, who was appointed Regional Officer for South East Asia at the time of the Lausanne Congress, but felt obliged to tender his resignation at the end of his first year of service, largely owing to the burden of Indian taxation. A successor was eventually found in the person of Dr. S. K. Saxena who took over the post of Regional Officer in March, 1962. Formerly, Dr. Saxena had been Assistant Director of the I.C.A. Education Centre at New Delhi.

The work of the Sub-Committee is reflected in the section of this report "Promotion of Co-operation."

The Auxiliary Committees

It may be appropriate to recall that the Auxiliary Committees – whose Reports are presented to Congress as Appendices to this Report – have been created at varying dates since 1921 under Article 4 of the Rules as one of the Methods by which the Alliance shall seek to attain its Objects – Assurance Committee 1921; Banking 1922; Workers' and Artisans' Production 1947; Agriculture 1951; Housing 1952; Wholesale Trade (C.W.C.) 1956; Retail Distribution (C.R.D.) 1958.

The action recommended by the Lausanne Resolution on "Co-operation in a Changing World," assigned tasks of importance to the Auxiliary Committees and they have all contributed to the documentation which has been compiled. Since technical assistance became a vital part of the activity of the I.C.A., the contribution which the Auxiliary Committees can make to the carrying out of its Programme for the Promotion of Co-operation has been appreciated by each of them. The question is found upon the agendas of their meetings and their approach to the problem, in some cases action taken, will be mentioned in their Reports.

The problems today of the sectors of the International Co-operative Movement which the Auxiliary Committees represent, become more and more important, while in addition to their activities their existence affords valuable opportunities for the exchange of experience between their member Organisations and this aspect will be increasingly valuable as more of the member Organisations in developing countries take part in the work of the Auxiliary Committees.

Working Parties.

The group of **Economic and Market Research Officers** has met annually since its inception in October, 1959, to discuss research problems and to exchange experiences. At a meeting in London shortly before the Lausanne Congress, the principal topic was Collaboration in Independent Retailing – the activity of voluntary groups, voluntary chains, and private retailers' "co-operative" buying groups.

When the Research Officers met at Rotterdam in 1961 they dealt with recent work on The Co-operative Image and received a preliminary study on Organisation of Research Departments. At Stockholm, September, 1962, they examined The Place of Research Departments in Management Structures, Establishing Local Levels of Retail Trade, the Co-operative Share and The Use made of Estimates of Future Demand in National Economic Plans by the Co-operative Movement.

Consumer Working Party. As reported in a later section, the further study of the problem of consumer education and protection, following the Stockholm Congress resolution on Co-operation and Health, has been concerned with the general economic interests of consumers and, following a second conference in January, 1962 (the first was in September, 1961), a Consumer Working Party was formed to follow developments in relation to the problem, and to undertake specific enquiries into some of its aspects.

The Party has held meetings in January and May of this year.

Papers discussed at these meetings are prepared by the Research Officers themselves, or the Research Section of the I.C.A. Secretariat.

A feature of the functioning of the group has been the regular reporting of research activity by means of six-monthly returns circulated to all the members. The discussions on those research projects are of particular interest to the participants.

The **Working Party of Co-operative Librarians** formed in 1956, represents the Movement in ten countries; it meets biennially and in the interim its recommendations and decisions are implemented by a Working Committee.

Since the Lausanne Congress the Working Party has instituted an International Co-operative Bibliography as a preliminary step towards the establishment of an International Co-operative Reference Centre; sponsored the compilation of a comprehensive Manual for Co-operative Libraries, with an abridged version primarily intended to assist Librarians in developing countries; and initiated several other projects to facilitate co-operative library work.

The text of the Universal Decimal Classification for Co-operation, approved by the International Federation for Documentation, has been made available by the Working Party in English, French and German.

The Working Party has also promoted the exchange of Accessions Lists between three International Organisations and librarians in twelve countries.

In view of the unanimous wish of the delegates who attended the Conferences of the Co-operative Press, convened by the I.C.A. at Lausanne, October, 1960, and Paris, January, 1962, that the Alliance should again constitute a **Press Committee**, the Executive authorised the Secretariat to issue invitations and convene the first meeting in London in September, 1962.

In conformity with the wish of the Paris Conference the Committee is not large in numbers but as substitutes are provided for all its members it has proved possible to ensure that it is widely representative of different types of co-operative journalistic activity. Its principal functions will be to serve as an organ of contact and consultation between the National Co-operative Press Organisations, as well as between them and the I.C.A. It will promote, whenever necessary, exchanges and common technical services, also the co-operative education of young journalists, more especially in international co-operative affairs.

Re-Organisation of the Secretariat.

The principal features of the scheme for the re-organisation of the Secretariat with a view to expanding the activities of the Alliance are that the work of the Secretariat shall, in future, be the sole responsibility of the Director, and the division of the Secretariat into departments for Administration; Research, Statistics and Documentation; Education, Press, Publicity and Films; and that, in addition to a head for each department, there shall be Secretaries for Housing, Agriculture, Women's Problems, and others.

The first step to give effect to the scheme was the appointment of the new Director. A circular letter was sent to member Organisations in October, 1961, indicating the salary to be offered for the post, the necessary qualifications and experience required, also the tasks of the Director, and inviting nominations as well as personal applications supported by the member Organisation concerned.

As a result of this letter, two candidates were selected for interview by the Executive Sub-Committee, but as both expressed themselves unwilling to accept the salary offered, the question was referred back to the Executive, and consequently to the Central Committee, with a recommendation for raising the salary. This recommendation was approved and a further announcement was made, both in letters to the member Organisations and in the press, which invited personal applications as well as nominations and offered a commencing salary of not less than £3,500. From the new applications and nominations, four candidates were selected for interview and, after assessing and comparing the qualifications, experiences and merits of the six persons whom they had met, the Sub-Committee unanimously decided to recommend to the Executive the candidature of Mr. W. G. Alexander, Great Britain, with a view to its acceptance by the Executive at their meeting at Tel-Aviv in January, 1963, and subsequent endorsement by the Central Committee at Stuttgart in April, 1963.

The Sub-Committee's recommendation having been accepted by the Executive and endorsed by the Central Committee, Mr. Alexander took up his appointment on 1st May, his duties being as laid down in the proposed amendment to Article 35 of the Rules.

It was further agreed, on the proposal of the Executive endorsed by the Central Committee, that the present Director and the General Secretary should retain their offices and responsibilities until the close of the Congress, Mr. Alexander, during this period, acting as Director Designate; that, after the Congress and for a period of a few months, Mr. Watkins and Miss Polley shall act in a consultative capacity to the Director.

Finances.

The Committee have reason to be satisfied with the financial position resulting from the amendments to the Rules adopted by the Lausanne Congress, and with the way in which the great majority of the member Organisations have fulfilled their higher financial obligations which, in some cases, especially those of the Economic Organisations, impose much higher scales of subscriptions than formerly.

There are exceptions in the case of Organisations which, in their early years, are working on such small budgets that to pay £150, the subscription of a National Organisation enjoying individual membership, would be impossible. Such cases are now provided for in Article 33c of the Rules which gives the Executive power to fix subscriptions which they consider appropriate.

In 1961, membership subscriptions totalled £63,025; the 1962 figure was £64,755; for 1963 the estimated total is £65,600.

This revenue in the opinion of the Committee is sufficient to meet the present programme of work, to maintain the Secretariat and the Regional Office, and to show a small balance. A study of the accounts for the past years, however, shows increased expenditure in 1962 compared with 1961, while the accounts for 1963; when available, will show an even larger increase. While there is no call at present for increasing the scales of subscriptions, the financial position in the coming years will need to be watched very closely.

Publications.

Since the Congress of Lausanne the principal problems involved in I.C.A. publications have been in the main, though not entirely, financial. In addition to the general, almost universal, problem of rising costs of paper, printing and carriage which have affected publications of all kinds everywhere, I.C.A. publications have had to contend with certain special factors concerning both revenue and readership which have engaged the constant attention of the Executive and led to some drastic changes of policy. These have chiefly centred on the *Review of International Co-operation*, which is an indispensable medium of communication between the Alliance and its members, but they also affected the preparation and circulation of such special publications as the Lausanne Congress Report.

The idea still expressed in I.C.A. Rules that the support given by the members to the publications might be a source of income long ago ceased to have any foundation in fact. The run-down of stocks of special publications is, as a rule, so slow that quite disproportionate amounts of capital are immobilised, while the subscription income for the periodical publications in no case covers the costs involved, but leaves deficits to be made good from the general budget of the

Alliance. The problem with which the Executive has been faced is that of providing an adequate service of news and information to members and the co-operative world generally, while keeping deficits within reasonable bounds.

Review of International Co-operation.

The difficulty of the problem has been enhanced not simply by the factor of rising costs but also by the steady cancellation, over the past 12 years, of block subscriptions to the *Review* of large Societies and Organisations on behalf of their members or officers. Diminishing profits and education funds consequent on intensified competition were the prime cause, but more recently increasingly numerous amalgamations have played a greater rôle. To a certain extent the shrinkage has been offset by new subscriptions from outside Europe and North America, particularly as a result of publicity by the I.C.A. Regional Office and Education Centre in S. E. Asia. At best the circulation remained stationary and the only immediate means of reducing the deficits was through retrenchment, i.e., by limiting the size of the monthly issues to about 24 pages, and concentrating, as opportunity offered, the work of translation and sub-editing in the Secretariat. Simultaneously, the subscription rates and prices of single issues of the three editions were raised.

But it also became evident that the reduced size of the *Review* limited the possibilities of reproducing the steadily increasing volume of interesting information about Co-operation in the world, or of treating in an adequate manner the growing number of questions of international concern to co-operators everywhere. The problem then became one of improving the readability and usefulness of the *Review* without incurring any appreciable increase in cost. The solution adopted by the Executive, on the proposal of the Publications Section, was to issue the *Review* from January, 1963, six times yearly, each issue to be double the size of the former monthly issues, and to raise the annual subscription of each edition to £1. It will not be possible to judge the success of these measures until the year 1963 is far advanced.

Cartel.

The same financial considerations as already indicated led to the abandonment of the French edition of *Cartel* and to the publication of an English edition only, with summaries of the articles in French and German. The scientific value of the contents is confirmed by the desire of new subscribers to obtain complete series of the earlier issues, but it is no longer possible to supply them. For a few years *Cartel* carried a growing volume of material on Consumer Information and Protection but, by the end of 1961, it had become evident that the increasing importance of this subject required a special publication. From 1962 the new *Consumer Affairs Bulletin* has fulfilled this purpose and *Cartel* has reverted exclusively to its original field of study, i.e., cartels, monopolies, restrictive practices and the relevant legislation.

News Services.

a. *Co-operative.* This stencilled publication continues to serve a useful purpose as a means of diffusing factual information, and its circulation, especially in the

newly-developing countries, has been expanding steadily for several years. Its information is utilised not simply by editorial offices but by government departments, academic institutions and interested individuals.

b. *Economic*. An enquiry carried out among readers in 1961 revealed that the *Economic News Service*, inaugurated in 1929, was no longer providing an essential service. It was, therefore, decided to replace it by the *Consumer Affairs Bulletin* covering the whole field of Consumer Information and Protection in which many National Co-operative Movements were displaying even greater activity as was reflected at the Conference at Paris in January, 1962, and the subsequent establishment of a Permanent Working Party. *CAB* appears six times yearly in English and French editions with a total circulation of about 500.

c. *Film Bulletin*. Owing to changes in the personnel of the Publications Section the appearance of this stencilled publication, which provides news and information of interest to co-operative educationists and propagandists using visual aids was interrupted in 1961, but resumed in 1963.

Special Publications.

International Co-operation, Volume V, covering the years 1949 to 1957, and containing an outline of the growth during that period of 74 affiliated Organisations in 38 countries appeared in 1961. The material was presented according to a uniform plan drawn up by the Secretariat which was also mainly responsible, with the aid of officers of some of the Organisations, for the national studies. This Volume, like its predecessors, will become even more useful for reference purposes as time passes.

Reports of Lausanne Congress, 1960.

As for preceding Congresses, brief reports of the proceedings of the Lausanne Congress in English, French and German appeared early in 1961, but the full reports in French and English did not appear until 1962. Their preparation was prolonged to an unprecedented degree by difficulties in establishing a satisfactory French text from the recordings and reconciling it with the English.

Co-operation for Fishermen.

This brochure, containing a compilation from documentation submitted to the FAO Fisheries Conference at Naples in May, 1960, was printed by the I.C.A. in English, French and Spanish on behalf of FAO as an act of collaboration designed to give permanence to one aspect of the work of the Conference.

International Directory of the Co-operative Press, 7th Edition.

The development of the national co-operative press in recent years made a completely new and revised edition of the Directory desirable, rather than to continue to bring it up to date by means of supplements. The new edition appeared in 1963 and has already circulated widely.

The I.C.A. Its Aims and Work.

The third English edition, a second French, and first Spanish edition of this brochure are due to appear in 1963.

Economic Research.

The activity of the Economic Research Section of the Secretariat, which was growing in breadth and diversity before the Congress of Lausanne, has further expanded, and both its research and translating staff have been increased. Its work was partly re-organised at the end of 1961 when, as already reported, the *Economic News Service* was replaced by *Consumer Affairs Bulletin*.

The Section has continued to act as a co-ordinating centre for the Economic and Market Research Departments of the National Co-operative Unions, whose officers hold annual meetings for the exchange of information on their projects and the discussion of economic and social problems requiring research for the guidance of the Movement's policy-making authorities.

The Section has rendered considerable assistance to the Central Committee and Executive in implementing the Lausanne Congress resolution on Co-operation in a Changing World, by issuing questionnaires and preparing memoranda based upon them also by drafting papers embodying factual information on a variety of economic, financial and administrative problems. Contributions to the *Review of International Co-operation* in the form of articles and book reviews have also become more numerous and valuable.

Education – Henry J. May Foundation.

The report to the last Congress stressed that the activity under the aegis of the Henry J. May Foundation needed to be expanded; that the Annual International School, which has been organised for more than thirty years and which ranks high in the field of Co-operative Education, should be supplemented by courses of a more homogeneous and specialised participation. The report also suggested that the time had come when the I.C.A. should seriously consider the establishment of a Permanent Training Institute attached to its Headquarters in London, which would offer studies in International Co-operation at a higher level than is possible at present in the National Co-operative Colleges.

It is perhaps useful to recall the following resolution of the Zurich Congress in 1946 – “Congress ratifies the decision of the Executive Committee for the creation of an International Memorial in honour of Henry J. May, and instructs the Central Committee to take the necessary measures for the creation, the organisation and the functioning of the Henry J. May Foundation, Centre for the Study of International Co-operation.”

Progress in any of the directions indicated in the Lausanne Report has been impossible mainly for the reason that efforts to secure the services of an adequately qualified Education Secretary for the Alliance have so far met with no success. Meanwhile, the need for extending the active rôle of the I.C.A. as an educational body reinforcing the indispensable international element in all contemporary co-operative education has increased rapidly. While a number of National Organisations have extended their own training systems by adding new advanced courses on management, a very superficial acquaintance with what is happening

in the non-co-operative business world is sufficient to reveal that the most progressive management training is today fundamentally international in method and spirit, being based on international exchanges of experience. At the other end of the scale, the equally urgent need for properly trained co-operative experts, advisers and demonstrators in the developing countries points directly to international training institutions supplementing, and perhaps eventually replacing, what is attempted on the national level.

In any event, the Executive in considering the re-organisation of the Secretariat has taken into account the necessity of an enlarged Education Department in the Secretariat, working closely under a common head with the section concerned with publications and visual aids.

The experiments which have been tried recently at the Annual School with different educational methods to assure the maximum benefits to the participants, have been very largely successful and it is obvious that, as a result of the reports given by students on their return, member Organisations have a much higher appreciation of the value of the School which is shown in their regular nomination, and careful selection, of students.

The 31st School at Athens in September, 1961, was an innovation not simply because of its Eastern Mediterranean setting, but also because of the corresponding bias imparted to the study course, the main theme being Co-operation and Rural Economy. The confrontation in the same School of co-operative experience from South East Asia, the Middle East, Europe and America had a broadening and stimulating effect on the views and thinking of all who participated.

The 32nd School, held at Hamburg in July-August, 1962, was the first to be held in Germany since 1928. Special attention was, therefore, devoted to the characteristic forms of Co-operation in the Federal German Republic and especially to their mutual relations. The broad general theme of Co-operation in a Changing World was dealt with from the respective standpoints of Consumers' and Agricultural Co-operation, while an outstanding feature was a session on Co-operation in the Developing Countries, with special reference to the programme of the Swiss Co-operative Union, V.S.K., in Dahomey.

In September, 1963, the School will be held for the first time in Norway. The suggested general theme is Contemporary Tendencies in Market Economy, a Co-operative Critique - (a) Consumers' Welfare; (b) Primary Producers and the Developing Regions.

Statistics

Compared with the volumes of statistics published by the United Nations Organisations, Government Departments and even by some Co-operative Organisations, those collected by the I.C.A. from its affiliated Organisations are very modest and limited. Nevertheless, they fulfil their purpose which is to show the progress of the member Organisations and to permit international comparisons. At the same time, they are the only International Co-operative Statistics available.

Their incompleteness, even on this modest scale, is regretted but the Secretariat has to rely almost entirely upon the co-operation of the Organisations, some of which would probably give more co-operation if they realised the enormous amount of effort which the published tables represent.

The statistics continue to be prepared in Tables, showing: The Strength of the I.C.A.; Co-operative Penetration into the Population; Membership and Trade of Consumers' Societies; Membership and Trade of Agricultural Societies; Membership and Trade of Fishery Societies; Membership and Trade of Workers' Productive and Artisanal Societies; Miscellaneous Societies; Building Societies; Credit Societies; Co-operative Banks; Co-operative Assurance Societies.

In the future the statistical services will be more closely related to the rapidly expanding activity of the Secretariat in the field of research and documentation.

Resolutions of the Lausanne Congress.

Co-operation in a Changing World.

The Resolution which was unanimously adopted by the Lausanne Congress, following the discussion on the paper submitted by Dr. Mauritz Bonow, contained a series of Recommendations to the affiliated Organisations and an instruction to the Central Committee to support the efforts of the member Organisations in implementing them.

These Recommendations were –

To co-ordinate the activities of their organisation at all levels so as to obtain the maximum of efficiency in the fields of production, distribution and finance;

To utilise co-operative resources and methods in all countries to the fullest possible extent, by expanding the activities and thereby increasing the influence of the National Co-operative Movements; by the rapid promotion of increased international co-operative trade, including trade with developing countries; and in all possible ways to combat and overcome the monopolistic exploitation of labour, materials, and natural resources;

To take advantage of every opportunity of promoting international enterprises jointly owned and operated on co-operative principles;

To apply throughout this process of adaptation the fundamental principle of democratic control by providing the maximum of opportunities for the active participation of the members;

To exert all their influence upon economic policy, legislation and social development so as to secure to the Co-operative Movement freedom of action and expansion and the application of the co-operative idea to economic and social problems.

At the first meeting of the Executive after Congress, January, 1961, the operative clauses of the Resolution were considered and the following methods of implementation agreed –

As regards the first Recommendation – That since the Co-operative Wholesale Committee and the Committee on Retail Distribution were already studying the structural changes which prompted this Recommendation, they and the Agricultural Committee be asked to present reports to the Central Committee.

As regards the second Recommendation – That the C.W.C. be asked to study the question of increased international co-operative trade, including trade with developing countries; and that the Common Market Group, the EFTA Group and the Economic Secretariat of the Scandinavian Wholesale Society be asked to prepare reports on questions formulated by the Executive.

As regards the fourth Recommendation – That an enquiry be made by the Secretariat concerning studies being undertaken by the British and Swedish Movements with a view to a later study on how the problem of member relations is solved by Societies with very large memberships; further, that this study be linked with the problem of recruitment upon which the results of a study undertaken by Mr. Korp of Austria had been published.

At their meeting in July, 1961, the Central Committee received a big documentation consisting of – Reports from the Co-operative Wholesale Committee, the Committee on Retail Distribution and the Agricultural Committee of their study to date of measures necessary to adapt the structure of the Movement to changing economic and social conditions, also future action proposed; Reports from the Common Market Group, the EFTA Group and the Economic Secretariat of the Scandinavian Wholesale Society on increased international trade including trade with developing countries; Summary of replies from member Organisations to an enquiry as to their efforts to obtain efficient and up-to-date monopoly legislation; Summary of replies from member Organisations in the countries of the EEC and EFTA to questions concerning collaboration with a view to regional monopoly control to protect the interests of members of Co-operatives; Report by Mr. Korp – an experiment in the systematic training for management in the Austrian Consumers' Movement.

At the close of a long discussion, it was felt that, with the adoption of certain Recommendations, the first three paragraphs of the Resolution had been sufficiently dealt with for the time being and that future work should be carried on through the Auxiliary Committees.

At their next meeting, April, 1962, the Committee considered the fourth Recommendation – to apply throughout this process of adaptation the fundamental principle of democratic control by providing the maximum of opportunities for the active participation of the members – also the two inter-related problems of capital resources and new methods for the training of laymen elected to the authorities of big Retail and Wholesale Societies.

It was agreed, after consideration of the documentation presented, that further studies and further material were needed and the Executive was entrusted with directing and following up the studies already commenced. Accordingly these questions have been further studied by the I.C.A. Research Section.

The treatment of this problem, Co-operation in a Changing World, and the problem itself, is of such importance and has become so prominent in the activity of the I.C.A. during the past three years, that the documentation prepared for the Committees has been summarised by the I.C.A. Research Section and is presented to Congress as Appendix VIII. to the Report of the Central Committee.

The treatment of the problem is by no means exhausted, in fact, research on some aspects of it is still in hand. The information given to Congress is, therefore, in the nature of a report to date on enquiries and research necessary to the implementation of the Resolution.

The Duty of the Movement towards Women.

As the first step considered necessary by the Executive regarding the implementation of the Resolution, member Organisations were asked to reply to the following questions –

Is there a Co-operative Women's Organisation in your country ?

Is it organised within the framework of the National Co-operative Union or as an independent Organisation ?

Does the National Union grant the Women's Organisation any special rights or privilege of representation on its Authorities ?

Are there any special facilities for training women to take office ?

How far do women fill posts of responsibility at local and national levels ?

The replies from member Organisations showed how greatly the organisation of women varies in the twenty countries concerned, and the Central Committee decided that the documentation sent by the National Unions should be made available both to the International Co-operative Women's Guild and the National Guilds.

In the last two years, as a later section of this Report shows, the Alliance has concerned itself more seriously with the Interests of Women.

Co-operative Pharmaceutical Organisations.

It was for the first time that the interests of Co-operative Pharmaceutical Societies, which constitute a comparatively small section of the membership of the Alliance, came before the I.C.A. Congress.

The decision at Lausanne was followed by an enquiry to ascertain in how many countries Pharmaceutical Co-operative Organisations exist; to what extent they are organised; the importance of their development; any particular conditions, legislative or otherwise, with which they must comply; whether they observe the fundamental principles of Rochdale in their operation; whether in countries where they do not exist there are legislative or other reasons for their non-existence.

The replies from Organisations in sixteen countries showed that in Europe Pharmacy Co-operatives existed only in Great Britain, Belgium, Iceland and Switzerland, that in the U.S.A. and Canada Consumers' Co-operative Societies, in a number of cases, have Pharmaceutical Departments. In a number of cases, it was reported that the establishment of Co-operative Pharmacies was not possible under existing legislation.

In the light of this information, OPHACO of Belgium, on whose initiative the question came before the Congress, studied the position further and came into contact with Movements of Mutualist Pharmacies in France and Holland, and in Italy, in addition to Co-operative Pharmacies, with a number of Municipal and Mutualist Pharmacies.

With a view to defending the existence of the Social Pharmacies in general, especially on the plane of the Common Market, OPHACO took the initiative to create a European Union of Social, Mutualist and Co-operative Pharmacies which as their representative at international level, has the right to be consulted by, or to intervene before, the Authorities of the Common Market.

The Co-operative Movement in other countries than those mentioned above are showing interest in the developments in this field and the Alliance is kept fully informed of the action taken both by the European Union and by OPHACO.

The Central Committee take this opportunity to express their deep appreciation of the action already taken which, they are assured, is fully appreciated by the member Societies which are participating in, and benefiting by, the splendid initiative of OPHACO.

The Promotion of Co-operation – Technical Assistance

Appreciation of the importance of this aspect of the work of the Alliance has been clearly manifested at the last two Congresses by the great interest in the papers and discussions upon them, and, increasingly, the need for the Promotion of Co-operation claims priority in the activities of the Alliance.

The Long-Term Programme of Technical Assistance, which was submitted to the Lausanne Congress at the conclusion of the discussion on the three papers on The Promotion of Co-operation, was well received by United Nations authorities, other International Non-Governmental Organisations which, like the Alliance, are concerned with the problem of technical assistance, as well as some National Governments, as a plan designed to assure a significant contribution to the efforts which they and other bodies are making in the field of technical assistance and, at the same time, to fulfil the special responsibilities resting upon the I.C.A. and its affiliated Organisations for assisting the development of Co-operatives of all types. Member Organisations in developing countries welcomed the promise of help to themselves which the carrying out of the Programme could mean.

Summarising the action taken on the main lines of the Programme –

Exploration of the Developing Regions has been pursued in Latin America as anticipated at Lausanne but, unfortunately, Mr. Rafael Vicens was obliged to delay taking up the assignment of the Alliance until April, 1961, and his report, though well documented, did not provide a basis upon which the Technical Assistance Sub-Committee could easily plan the next stage of I.C.A. action in the Region.

Also, before the Report was received, an important development had been staged in the Americas by the convening of an All-American Co-operative Conference at Bogota in February, 1962, to consider *inter alia* the creation of an All-American Co-operative Federation, with ancillary institutes for finance and education. At a further Conference at Montevideo in February, 1963, the proposed Organisation, with the name Organisation of the Co-operatives of America, was constituted.

While closely following this development, the Committee has continued to consider possible ways in which the Alliance can assist Organisations in Latin America, in some cases on the lines of recommendations made by Mr. Rafael Vicens. Organisations in several states are considering affiliation. One of these is the Chilean Federación Nacional de Cooperativas de Consumo, Ltda., at whose first Congress this year a decision will be taken to apply for membership.

In Africa many new contacts have been made in different countries. The affiliation of the Co-operative Union of Tanganyika is reported in the section on Membership, and other unions are at present considering affiliation. Certainly today, the Alliance is much more fully documented and informed than it was three years ago as regards Co-operation in the continent of Africa.

There is a keen desire on the part of the member Organisations, and others, for an African Regional Office and Education Centre, but no decision has yet been taken to establish such institutions, partly in view of long-term education projects in Africa planned by the Scandinavian Governments' technical assistance authorities in which I.C.A. member Organisations in Scandinavia are collaborating. I.C.A. action, however, on the lines of a Regional Office and Education Centre will have to come.

From French-speaking Africa requests for assistance in Senegal and Tunis have been made and appropriate action is being considered in consultation with the Institut Français d'Action Coopérative of Paris.

In South East Asia exploration can be said to have been completed largely by the extensive tours which U Nyi Nyi made during his period as Regional Officer, of which he submitted detailed reports to the Technical Assistance Sub-Committee. Since his appointment as Regional Officer in March, 1962, Dr. Saxena has continued this practice, although so far it has not been necessary for him to make such long journeys.

Research. The Work Programme of the Regional Office includes studies on Agricultural Co-operative Marketing and the Structure of National Unions but, apart from some preliminary enquires, the studies were in abeyance pending the appointment of an Agricultural Specialist. So far no definite arrangements have been made to undertake studies in collaboration with other Organisations, but a vast amount of research in all regions has to be undertaken as soon as resources are available.

Promotion of Education. Much has been successfully accomplished in South East Asia by the I.C.A. Education Centre at New Delhi, and in addition to carrying through its own extensive programmes, it has collaborated in educational projects of the Indian Government, of United Nations Agencies, of other Non-Governmental Organisations. The Centre has already begun to make an impact and exert an influence on the methods by which the theory and practice of Co-operation are taught and learnt in the region by both academic and other kinds of training institutions.

There are great educational needs to be studied, and as far as possible fulfilled, in other regions, particularly Africa and Latin America.

Collaboration with UN and other Agencies takes different forms which are reflected in the section of this Report I.C.A. and United Nations. Some member Organisations also collaborate with UN Agencies.

Promotion of Trade between Co-operative Organisations. From many Movements and individual Societies in developing countries, anxious to export their produce and products and to import essential commodities, appeals are made to the I.C.A. to intervene on their behalf with the highly developed Co-operative Commercial Organisations. In full sympathy with these Organisations, the Alliance in its turn has appealed to the Co-operative Wholesale Committee as well as to individual Wholesale Societies. While it has been assured of the goodwill and of the desire of these Organisations to be helpful to the developing Co-operatives, there seem to be circumstances on both sides which act against direct business connections. The Alliance, however, will pursue the question in the hope of a solution being found in the interests of the Organisations in developing countries, and it may be noted here that Mr. Thorsten Odhe attaches great importance to this question in his Congress Paper.

As regards **Insurance**, for a number of years practical action has been taken and assistance given by National Co-operative Insurance Societies, and, more recently, through the Reinsurance Bureau of the International Co-operative Insurance Committee.

Old-established National Co-operative Insurance Societies receive for training large numbers of employees from Insurance Societies in developing countries, and in Appendix I. the Insurance Committee gives particulars of its technical assistance activity.

The Regional Office.

The plans for the Regional Office were reported to the Lausanne Congress, its main functions being – to serve the general purposes of the I.C.A. and not simply the requirements of technical assistance; to contribute to the execution of I.C.A. policy in all its aspects, particularly the attainment by Co-operatives in the region of a full measure of self-government and independence of external support; to supplement the existing means by which Organisations are able to keep in touch with one another; to give information and guidance on requests for technical assistance, and to maintain contact with projects in the course of execution; to carry out the administrative work required for a combined action on the part of I.C.A. and its members, for example, the organisation of conferences, seminars, working groups, initiated by the Alliance; to represent the Alliance in its relations with Co-operative Ministries and Departments of National Governments and with International Organisations, in the region.

The Regional Office has functioned as from 6th December, 1960, when it was inaugurated by Dr. Bonow in the presence of a distinguished gathering including Ambassadors, Indian Government officials, the Director and General Secretary of the Alliance, students taking part in the I.C.A. Leadership Seminar, representatives of Indian Co-operative Organisations and many individuals interested in the Co-operative Movement.

During the first year, the Regional Officer, U Nyi Nyi, endeavoured earnestly to make the Regional Office and the I.C.A., its aims and principles better known and better understood throughout the region, by circular letters, general correspondence, a ~~monthly~~ *News Letter* issued in collaboration with the Education Centre, by publicising the *Review* and other I.C.A. publications.

Visits were made to Co-operative Organisations in most parts of India and Pakistan where meetings took place with officials of Co-operative Organisations, of Governments and other authorities; talks were given at conferences and meetings on the I.C.A. and its work. A tour was made to other countries in the region – Burma, Thailand, Malaya, Singapore, Indonesia, Philippines, Hong-Kong, Japan – to ascertain the needs of the Movements and decide how best the Regional Office could promote co-operative development. In addition to making the Regional Office known, an important task on these tours was to explain to the Organisations the best way in which they could make use of the Regional Office, how it can serve their needs and how through the Regional Office they could strengthen their relations with the I.C.A. It is equally important on the side of the Regional Office for the Officer to know the situation and problems of the Movements in the different countries and this knowledge can, of course, best be obtained by personal visits and on the spot studies. Good working relations with National Movements are vital since the effectiveness of the activities of the Regional Office and the Education Centre depend upon the services they can render to the Movements.

It was a great disappointment to the I.C.A. toward the end of 1961 when U Nyi Nyi felt obliged to tender his resignation, largely on account of the burden of Indian income tax. The effect of taxation upon the non-Indian staff, both of the Regional Office and Education Centre, had been fully appreciated by the Technical Assistance Sub-Committee and strong representations had been made to the Indian Government for some relief, preferably that the I.C.A. staff should be treated in the same way as the staff of the United Nations Organisations. So far as the Regional Office is concerned, the urgency of the question became temporarily less acute on the resignation of U Nyi Nyi, but it has been pursued and it is hoped that a satisfactory solution will be found.

Early in 1962, the post of Regional Officer was offered to, and accepted by, Dr. S. K. Saxena, who since the establishment of the Education Centre had acted as Assistant Director to Mr. B. Mathsson. Dr. Saxena took up his duties at the beginning of March. Apart from his functions in New Delhi, he has since assisted from time to time at seminars and courses arranged by the Education Centre; he has visited most parts of India, attended conferences in West Pakistan and Japan, as well as meetings of the Advisory Council of the Education Centre.

In connection with a journey to Manila to represent the I.C.A. at the Annual Session of ECAFE, he spent some time in Burma, Malaya and Singapore.

In addition to ascertaining the needs of the Movements in the different countries and helping in the most practical way, sooner or later help must be given through the Regional Office to strengthen their economic activity. In the first place research is essential, particularly as regards the vital problems of agricultural marketing and credit. So far, little has been done in this field owing to lack of

personnel, but an Agricultural Specialist having now been appointed it is hoped that information may be available for advisory work in the sphere of Agricultural Co-operation. Another urgent problem for research is the structure of the National Co-operative Unions.

Relations between the Regional Office and Indian Government have developed in a mutually satisfactory way and, as a result of the work of the Regional Office and the Education Centre, the prestige of the I.C.A. stands high today in India and most countries in the region. One instance of this which may be mentioned is the decision of the Indian Government that all offers of technical assistance projects on the part of the National Co-operative Organisations shall be channelled through the Regional Office and have its recommendation. National Co-operative Organisations, too, manifest their appreciation of the Regional Office as representing the I.C.A. in the region - for instance, the importance which the Central Union of Japanese Agricultural Co-operatives attached to the presence of the Regional Officer and the Director of the Education Centre at the important Conference which was convened at Tokyo in April, 1962, and the co-operation desired from the Regional Office in carrying out the decisions of the Conference.

The belief that through the Regional Office it would be possible to maintain close contact with the United Nations Economic Commission for South East Asia is being realised and the Alliance has been represented at the Annual Meetings of the Commission in 1961, 1962 and 1963. Every opportunity, too, is taken of contact and collaboration with representatives of UN Agencies, ILO, FAO, UNESCO, resident in the region or passing through New Delhi.

The Costs of the Regional Office were quite modest in the first year and well within the budget drawn up by the Technical Assistance Sub-Committee. But inevitably they are increasing as a perusal of the Accounts for the past three years shows, and will continue to increase as additional appointments are made to the staff and the services of the Regional Office are improved and expanded.

I.C.A. Education Centre.

In its Education Centre for South East Asia the Alliance possesses an institution which, in respect of its constitution, aims and activities, is unique in the co-operative world. The Centre is financed entirely by the annual collections made by Kooperativa Förbundet from its affiliated Societies, their members and other well-wishers. It is administered by a local Management Committee, with the I.C.A. Regional Officer for S.E. Asia as Chairman, acting under the direction of the Technical Assistance Sub-Committee of the Executive. The Director, Mr. Bertil Mathsson, a distinguished adult educationist seconded by K.F., is guided in formulating the programmes of the Centre and developing its work by an Advisory Council, representative of the Co-operative Organisations of the countries of the Region, which meets annually. The Hon. President of the Advisory Council is Mrs. Indira Gandhi. The first Chairman was Professor D. G. Karve; the present Chairman is Sir V. T. Krishnamachari, President of the National Co-operative Union of India.

The main function of the Education Centre is to reinforce in every way possible the co-operative education carried on in a variety of forms, and on several different levels, by the Co-operative Organisations, Governments and other institutions, such as universities, in the South East Asian countries. This implies that the Centre is not only itself an institution for teaching and research; it is a repository of educational material and experience and an agency through which the methods employed in co-operative education can be constantly improved and kept up to date.

The annual programme worked out in collaboration with the Advisory Council, and finally approved by the Technical Assistance Sub-Committee, therefore comprises regional courses, seminars or similar meetings organised directly by the Centre at Delhi or some other convenient location; courses convened by the National Unions, with the technical guidance of the Centre and the assistance of its teaching staff, which may have certain international participation; special studies and research; publications; collaboration and consultation for a wide variety of educational and training purposes, particularly where these involve inter-regional and inter-continental travel, with other International Organisations, such as UNESCO, ILO and FAO, with National Governments and Institutions interested in Co-operation.

All these different types of work can be illustrated from the current activities of the Centre. As an example of a regional meeting on a topic of vital importance for co-operative promotion may be cited a Conference on Study Circle Methods, lasting a week, held at New Delhi in January, 1963. Starting from general agreement that study circles had a useful function in propagating sound co-operative opinions among the membership, and in encouraging healthy democratic leadership, the Conference made suggestions for experimental work to be undertaken by the National Unions using study material specially prepared by the Centre and directed by leaders with appropriate training. In 1962, national courses were organised with the help of the Centre in East Pakistan and in India. Two of the Indian courses illustrate what was said previously about the value of the Centre for stimulating the improvement of teaching methods: the first was a course for Teachers of Co-operation in the Universities and the second a course for Teachers in the Rural Institutes of India. Both evoked lively criticism of the teaching material available and methods employed and have already led to practical results in the form of drafting new textbooks to replace the old.

In the field of research the Centre not only works through its own staff but also through temporary recruits from the National Co-operative Unions. In 1962, the Centre offered three Research Fellowships to candidates from the National Unions. The Fellowships were of eight months' duration and were awarded to Co-operators from East Pakistan, India and Malaya whose subjects were, respectively, co-operative credit, co-operative housing, and the organisation of Co-operative Unions. The choice of subjects is largely determined by the problems of the candidates' home countries.

The Centre's most notable publication so far is the book "Co-operative Leadership in South East Asia," which contains most of the papers prepared for, as well as the conclusions and recommendations reached by, the I.C.A. Seminar at New Delhi in November, 1960. The book seems assured of the wide circulation which it merits, and it is worthy of remark that the Centre has prepared, as an

adjunct to it, a discussion guide for use in its study circle programmes. A pamphlet on Co-operative Education in India, outlining constructive proposals for a national co-operative educational system has also been published. From time to time other pamphlets and brochures will be prepared containing selections from the valuable documentation submitted for the regional and national courses.

During 1962 and 1963 the Indian Government through its Ministry for Community Development Panchayati-Raj and Co-operation has drawn extensively on the consultation services of the Centre, and is likely to continue to do so for the development of the educational and training aspects of its national scheme for the promotion of Consumers' Co-operation.

In view of the expansion of its activities over the last two years, the Centre has needed to add to the numbers of its Asian and European personnel. With more qualified personnel it became possible to introduce greater specialisation in their duties with a gain in effectiveness in every aspect of its work. Increased accommodation also became necessary and it has fortunately been possible to build extensions to the present premises, to the advantage of both the Centre and the Regional Office.

The Centre is building up its library which now includes about 2,000 books and establishing working relations with other libraries.

Finally, reference should be made to a special item in the Centre's work programme for 1962, namely, the Women's Seminar more fully reported on pages 38-39. It was the existence of the Centre which enabled the I.C.A. to undertake a piece of important work on behalf of women's education and at the same time to make a contribution of considerable importance to the adult education programme of UNESCO in Asia. The staff of the Centre carried out all the necessary local arrangements, while its Director, as director of the Seminar, guided its proceedings to constructive and thought-provoking conclusions.

For its first years the **Costs of the Centre** were approximately:

| | | | | |
|-------------------------------|-----|-----|-----|--------------|
| 1959 | ... | ... | ... | Rps. 130,000 |
| 1960 | ... | ... | ... | Rps. 220,000 |
| 1961 | ... | ... | ... | Rps. 400,000 |
| 1962 | ... | ... | ... | Rps. 476,000 |
| For 1963 the budget amount is | | | | Rps. 750,000 |

Technical Assistance Projects and the Development Fund.

As in previous years, the principal aim of the aid given by the I.C.A. under the Development Fund has been the promotion of the educational work of National Unions and other similar Organisations, for instance, by gifts of visual aid units to Organisations which had proved themselves viable but lacked the financial resources to provide themselves with the necessary equipment; by financing study and training courses for educational officers at such Institutions as the Coady Institute and the Puerto Rico School; by arranging training courses of approximately six months' duration for co-operative officials and employees of African and Asian member Organisations.

The value of visual aids in co-operative education has, for a long time, been obvious and in all cases where the I.C.A. has given mobile film units, projectors, etc., there has been a marked improvement in the results of the educational programmes of the Organisations concerned. In the period under review, mobile film units have been sent to the Co-operative Union of Western Nigeria and the Co-operative Union of Eastern Nigeria.

Where study courses are concerned, the success and value of the teaching and study is always in direct relation to the care taken by the recipient Organisations to select the right people.

In arranging courses for African and Asian officials, the I.C.A. has had very generous collaboration from member Organisations in the countries where the studies were centred, and it is not out of place to make special mention in this connection of member Organisations in Cyprus – the Co-operative Central Bank, Ltd., and the Turkish-Cypriot Bank.

Several requests for assistance from member and non-member Organisations in Africa are being considered by the Technical Assistance Sub-Committee, some of which may have materialised by the time Congress meets.

Another, more modest, form of assistance frequently sought, and given, is the sending of publications and books for the building up of Co-operative Libraries in different countries, and appreciation is always shown of the periodical circulation of lists of books of which the I.C.A. Library has copies for disposal, many of which are now otherwise unobtainable.

The Development Fund.

As will be seen from the particulars below, contributions to the I.C.A. Fund have been fewer during the last three years.

This is largely due to the fact that several Organisations have launched appeals, or have themselves made grants, for national projects – Swedish, Swiss, German, Austrian, American, Canadian, British (Education Department).

Although there is at present an appreciable balance in the I.C.A. Fund, a steady flow of contributions will be necessary if the longer term programmes now envisaged are to be successfully carried out.

Contributions to the Fund since Lausanne Congress –

| | £ | s. | d. |
|---|-------|----|----|
| Women's Guild Bazaar at Lausanne | 592 | 4 | 0 |
| Canadian Women's Guilds | 59 | 16 | 0 |
| British Societies..... | 79 | 17 | 0 |
| *Co-operative League of U.S.A. | 1,782 | 15 | 0 |
| **Union of Swiss Consumers' Societies | 7,000 | 0 | 0 |

*Annual contributions 1961 and 1962.

**10% of contributions in 1962 from Swiss co-operators and co-operative employees to the Swiss project.

Women's Place in Co-operation.

"In pressing forward we cannot overlook the claims which the women of our movement are making with increasing force and unity for a place in our ranks, our councils, and the direction of our work. Apart altogether from the bare justice of their demands, the circumstances of the hour make it imperative that women should be received into all our work on equal terms, as indeed they have ever been in the main stream of co-operative membership under the Rochdale system of Co-operation. If the future is to Co-operation and the 'common people,' then it is to the women especially, because the standard of social advance is to a very high degree determined by the status of women."

The above lines are taken from the Conclusion of the Report of the Central Committee to the Basle Congress, 1921.

The same year saw the creation of the International Co-operative Women's Guild, an independent, policy-making Organisation having as its first aims - to unite the co-operative women of all lands in furthering co-operative principles and methods; to promote the education of women at international level.

The general interests of women in co-operation were, therefore, regarded as being within the province of the I.C.W.G., but relations between the I.C.A. and the Guild were very cordial, and the advice of the Alliance was frequently sought. Throughout the years until 1939 the Guild had space in each issue of the *Review* for International Women's Notes. In addition, the I.C.A. has always provided the necessary services for the Triennial Conferences of the I.C.W.G.

When the I.C.A. and the I.C.W.G. came to re-develop their work after the second world war, their outlook and circumstances had greatly changed. The functions of the National Women's Guilds and their relations with their parent Co-operative Unions had in several cases greatly altered. The limited financial resources of the I.C.W.G., which necessarily restricted its personnel, were unable to keep pace with inflation and rising costs. As the attention of the I.C.A. was turned more and more towards the developing countries and their co-operative problems, it had to be recognised that work urgently needed to be done for which the guild form of organisation was not necessarily the best instrument and for which other methods and policies must be tried.

In the endeavour to assist the I.C.W.G. the I.C.A. Executive agreed to set up a joint consultative committee of the two Organisations, but the results gave no satisfaction to either side.

Following a meeting of the Central Committee of the Guild in the summer of 1962, a proposal was sent to the I.C.A. Executive which envisaged much closer contact and infinitely more financial support.

Although the proposal could not be accepted on constitutional grounds, the Executive felt that the time had come when realistic opportunities must be afforded for women to take part in the work of the Movement at international level, and the Sub-Committee to whom the question was referred, formulated suggestions for I.C.A. action in the interests of women which would assure them their proper place and rôle in the Movement.

These suggestions, which were accepted by the Executive and Central Committee at their meetings at Stuttgart in April, include the appointment of a woman specialist within the I.C.A. Secretariat, also the constitution, and attachment to the Secretariat, of an Advisory Committee for women's questions consisting of women co-operators.

The Officers of the I.C.W.G. learned of the proposals at an informal meeting with the Executive Sub-Committee in February, and since the Stuttgart meetings the Officers have communicated them to the members of the Guild.

* * * * *

Certain events can be said to have influenced this provision for women's collaboration with the I.C.A.

Immediately steps were considered for implementing the Stockholm Congress resolution on "Health and the Consumer," the importance of this problem for women was evident and when member Organisations were invited to the first Consumer Protection Conference at Garmisch-Partenkirchen in July 1961, the desirability of sending women delegates was stressed. To the first Conference, also to the second Conference at Paris, January 1962, the I.C.W.G. was invited and later when the Consumer Working Party was set up the I.C.A. Executive nominated a women member.

Another factor was the adoption at Lausanne of the Resolution on The Duty of the Movement towards Women, which laid responsibilities upon the National Movements which the I.C.A. accepted as its task to assure their fulfilment.

The third factor was the I.C.A. South East Asian Seminar for Women organised at New Delhi in November 1962 by the Education Centre, and for which a grant was received under the UNESCO Adult Education Programme.

In addition to students nominated by the member Organisations of India, Pakistan, Ceylon, Malaya and Japan, invitations to participate were accepted by a number of non-co-operative Women's Organisations in the region, and the ILO, UNESCO, ICFTU sent representatives.

The discussion of such subjects as The Changing Economic and Social Order and its Significance for Women and The Rôle of Co-operation in Social and Economic Development showed great appreciation of the value of co-operation to women, and to the population of rural areas, as well as for improving the standard of living. Again, lectures and discussions on the Need for Consumer Enlightenment and Protection showed a deep awareness of the problem.

Having received a report from its representative who was present - the General Secretary - the Executive felt that the foundations were probably laid for the beginning of an I.C.A. programme of action for women in South East Asia. They agreed that the work of the Seminar must, in any case, be followed up and accepted the suggestion that a woman with experience and knowledge of the Movement, as well as of the interests and needs of women, should visit certain countries in the region to discuss with Officials of the Co-operative Organisations

the place of women in the Movement and the responsibility of the Movement towards them; also to obtain first-hand information and impressions of existing voluntary Women's Organisations and the possibility of some collaboration, or contacts, between them and the National Unions with a view to attracting women to the Movement.

According to the result of this visit, a decision will be taken on another proposal made in the report on the Seminar – that a woman be appointed to the staff of the Regional Office to deal primarily with women's problems related to the different branches of the Movement and also with the problems and needs of woman herself.

It is obvious that in giving a place in its Programme to the interests of women the I.C.A. recognises its duty towards the women of the world – not only the co-operatively organised women.

Consumer Protection.

The resolution on Co-operation and Health, submitted to the Congress at Stockholm by the F.N.C.C., Paris, urged reconsideration of the whole problem of consumer education and protection in view of the effects of modern industrial techniques, particularly from the standpoint of consumers' health.

As reported at Lausanne, a Conference was convened at Garmisch-Partenkirchen, September, 1959, devoted to The Health of the Consumer. This very successful Conference, attended by scientific and technical experts, officers responsible for consumers' information and education, representatives of women's organisations, legal experts and directors in charge of trading policy, formulated a comprehensive set of conclusions and recommendations, which indicated the responsibilities of the Movement, its possible contribution to consumer enlightenment, also ways in which Governments could be aroused to the need for up-to-date legislation and its effective enforcement. The need for uniform principles in legislation from country to country was also stressed. Most important of all, the Conference recognised the need for systematic collaboration between the various agencies concerned with all questions of consumers' welfare.

This broadening of interest in consumer protection from the sphere of health and hygiene to that of the defence of general economic interests, concern regarding the influence of advertising, and progress in the field of comparative testing apparent in the years following the Garmisch Conference, led to the inclusion of more general questions touching consumers' interest on the agenda of the Second Conference at Paris, January, 1962, which assessed the progress made in pursuance of the recommendations of the Garmisch Conference. It was clear that much still needed to be done, and the Conference, representative as before of all the groups interested in these problems, recommended that a Working Party be constituted to maintain touch with the many developments in this field.

The I.C.A. Executive accepted this proposal in outline, but first set up a Study Group to formulate recommendations for the Working Party's terms of

reference and procedure. The report of the Study Group was accepted, and the Consumer Working Party, on which the Executive is represented by Mr. Marcel Brot of France, has held meetings in London in January and May, 1963. The elected Chairman is J. M. Wood, Great Britain.

The Party's programme of work includes a general initial survey of current consumer protection activity and special enquiries on: i. Deceptive and Misleading Advertising, ii. Informative Labelling.

The Working Party has made a good start, but its future usefulness to the Movement will largely depend upon the continued recognition of the importance of its tasks by Member Organisations, also their willingness to grant the members of the Party the necessary time and facilities for their work.

The Research Section of the Secretariat will play an important part in the development of this new field of I.C.A. activity. After contributing much of the documentation to the Paris Conference, it took part in the work of the Study Group, and when the permanent Working Party was set up the Section was clearly indicated as the centre for its system of reporting as well as for research into consumer problems on the international level.

*is by the
study of the
documentation
in the
secretariat*

International Co-operative Day.

Each year on International Co-operative Day, the rainbow flag is prominent for the first time in the celebrations in one or more countries where the young Movements call their members together to re-affirm their faith in the Co-operative Ideals and to rejoice in being part of the great Co-operative Family which the I.C.A. represents.

Each year more publicity is given to the Declaration of the I.C.A., the special articles which are offered to Editors of National Co-operative Journals, and to the figures circulated in The I.C.A. in Epitome.

In the Declaration for the 38th Day, 1960, the I.C.A. – after acclaiming “the onward march of millions of men and women in the newly developing countries towards emancipation from alien rule and towards self-responsibility for their welfare and social progress,” and re-affirming “the unique value of Co-operation as an economic and social system which enables the awakening peoples to dispense with ancient traditions and advance towards the modern world” – appealed “to Co-operators of the industrial nations to provide out of their own abundance, and through the I.C.A.’s Technical Assistance Programme, generous aid for those striving with inadequate resources to attain higher standards of human life and dignity.”

On the 39th International Co-operative Day, 1961, Affiliated Organisations and their members were called “to work on both national and international levels for greater freedom and superior organisation in the exchange of commodities, capital and persons, so that newly-emancipated nations may attain economic independence and security by their own efforts on an equal footing with the rest of the human family.”

In 1962, the year which marked the 40th Anniversary of International Co-operative Day, the I.C.A. greeting Affiliated and Associated Organisations in fifty-one countries –

declared “ that the continual growth of the Co-operative Movement since the Day was instituted and its world-wide extent today are proof of the efficacy of co-operative self-help and its future potential for spreading economic and social well-being amongst all mankind;”

urged “ its members to meet the challenge of present-day technical progress by re-shaping and integrating their Organisations for the defence of consumers and producers against new forms of exploitation and domination by profit interests;”

emphasised “ the obligations resting upon the well-established Co-operative Movements to render generous technical aid and to cultivate economic relations with the younger Movements in the developing countries;” and

expressed “ the fervent hope that negotiations will be pursued with determination to reach an agreement which will banish the menace of atomic annihilation from the world.”

The special Article for the 40th Anniversary took the form of a looking back on the four decades with a remembrance of “ the leaders of the Alliance whose faith in the universality of Co-operative Principles and belief in the destiny of the Movement to become world-embracing, inspired them to ordain the First Saturday in July as the annual day of rejoicing and re-dedication for Co-operators all round the globe.”

For the 41st International Co-operative Day, 1963, the I.C.A. declared its whole-hearted support for the United Nations Development Decade; appealed to member Organisations in the developing countries to redouble their efforts to increase the scope, efficiency and resources of their Movements that they may play a more beneficent rôle for the wellbeing of their peoples, to those in the industrialised countries, to create a stronger network of co-operative trading and financial relations on a foundation of mutual knowledge, understanding and trust; and in conclusion re-affirmed its ardent hope for the achievement of general disarmament under international control which would release vast resources for the abolition of poverty throughout the world.

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

The General Assembly of the United Nations adopted on 19th December, 1961, a resolution designating the 1960's as the United Nations Development Decade. That event strikes the keynote to the relations between the I.C.A., UN and the Specialised Agencies since the Congress of Lausanne. The overall aim is to achieve such an expansion and co-ordination of the collaboration between the advanced and the newly developing Member States as will enable national incomes of the latter to attain an annual increase of 5 per cent by 1970, with some expectations of doubling their standard of living in 25 to 30 years. The grand

design includes a number of large-scale projects, already under way, such as the Freedom from Hunger Campaign of FAO and the World Literacy Campaign of UNESCO, with its subsidiary regional plans for universal primary education in Africa, Asia and Latin America, and others yet to be formulated. It further supplies a broad scheme for the orchestration of the plans and activities of both the Inter-Governmental and the Non-Governmental Organisations, like the I.C.A., which aim at reducing the gap between the richer and poorer nations of the world, by developing the resources of the latter.

Representation.

The International Co-operative Alliance has continued to make full use of its privileges as a consultative Non-Governmental Organisation, not only with the United Nations but also with the International Labour Office, Food and Agriculture Organisation, UN Educational Scientific and Cultural Organisation (UNESCO), and International Atomic Energy Agency. It is permitted to appoint observers and technical experts to attend meetings of various kinds, suggest topics for consideration by different authorities, submit oral and written statements, confer with the Secretariats and receive regular documentation.

Liaison has been maintained with UN at New York by Mr. L. E. Woodcock' and with UN and ILO at Geneva by Dr. M. Boson, both part-time representatives who attend meetings, report events of significance to the I.C.A., and keep in contact with the Secretariats. From time to time specially qualified representatives have been appointed to attend regional or technical meetings. Members of the I.C.A. Housing Committee take part in meetings of the Housing Committee of the Economic Commission for Europe. Since the establishment of the Regional Office for South East Asia, closer contact has been possible with the Economic Commission for Asia and the Far East, whose annual sessions were attended in 1961 and 1963 by the I.C.A. Regional Officer and, in 1962, by an Official of the Central Union of Japanese Agricultural Co-operatives. At UNESCO in Paris, Mr. Ch.-H. Barbier has been serving as an expert on the Committee for the Advancement of Adult Education and as I.C.A. representative on the Selection Committee for Workers' Study Tours in Europe. Affiliated Organisations in Argentina, France, Italy, Mexico and Nigeria have willingly released their officers for occasional assistance as observers or participants in working parties.

ECOSOC and Social Commission.

Housing. The principal group of problems pursued by the I.C.A. in its representations to the Economic and Social Council and the Social Commission have been concerned with housing. These problems have risen in urgency and priority as people and governments in all parts of the world have realised that the rôle of good housing in human welfare and social progress is fundamental, and that there are probably as many under-housed as under-nourished people in the world today. The importance of the problem also accounts for the number of different agencies, governmental and non-governmental, on the national, regional and international levels, which are seeking solutions within their respective fields of operation. The numerous requests for information of various kinds concerning co-operative housing, received by the National Organisations participating in the I.C.A.

Housing Committee, made the Committee aware of the need for greater co-ordination of housing activities and led ultimately to the conclusion that co-ordination was not likely to be attained, or the available resources in technical knowledge and finance effectively marshalled, unless a Special International Agency, similar to those already set up for food and agriculture and for health, was established for housing.

The need for a considerable measure of co-ordination had already been recognised by the United Nations and a long-range programme of international action put into operation. This appeared at one time as the limit to which UN was willing to go, since the majority of the member Governments were not prepared to contribute the funds required to house and staff yet one more Specialised Agency. But the I.C.A. and other Non-Governmental Organisations, while collaborating in the long-range programme, were unwilling to let the matter rest there.

Housing was again discussed at the 32nd Session of ECOSOC when Dr. Boson presented a statement on behalf of the I.C.A. and a resolution was adopted instructing the Secretary-General to convene a group of experts from the developing and the industrial countries to study the problems of low-cost housing and make recommendations. Non-Governmental Organisations were permitted to send observers to meetings of this group and the I.C.A. was represented by Mr. Dwight Townsend, a member of its Housing Committee.

The expert group pointed out the lack of a central organ through which UN could co-ordinate its own activity and that of the other International Organisations concerned with housing, thereby supporting in a great measure the case which the I.C.A. had been arguing. The next step was accordingly to work out the constitution, functions and place in the U.N. system of the recommended central organ. The question was first discussed in the 14th Session of the Social Commission and a draft resolution went forward to the 34th Session of ECOSOC. In its final form, the resolution provided for the establishment of a Committee on Housing, Building and Planning, consisting of 18 experts nominated by the governments represented in ECOSOC and reporting to ECOSOC through the Social Commission. Before the Economic and Social Council the I.C.A. declared its willingness to collaborate with the Committee, while re-affirming its belief that, in the end, a Special Agency would prove to be the only thoroughly satisfactory solution.

The newly-constituted Committee held its first meeting in New York in January, 1963, when Mr. Dwight Townsend attended as I.C.A. observer. In its report, for presentation to ECOSOC through the Social Commission, the Committee asked for a comprehensive account of existing programmes and the expenditure of different agencies for housing; it called for studies of housing finance and investment, on the international and national level, with particular reference to the mobilisation of each country's domestic resources; it recommended the expansion and establishment of regional centres for research and training of professional personnel, also an enquiry into the possibilities of setting up a documentary centre for housing, building and planning; it approved the proposals of the Secretariat for pilot projects and recommended their extension with the assistance of the international financing agencies. Two resolutions on training and

educational facilities urged the member states to include provision for all kinds of professional training and inter-disciplinary training in their development plans and requested the Secretariat to co-ordinate the priorities, indicated in the national plans, for the guidance of international agencies rendering technical and financial assistance.

Regional Commissions.

Very close contact has been maintained between the I.C.A. and the Secretariats of the Regional Commissions with a view to obtaining information and knowledge regarding the progress achieved by them in the various fields of their activity which are of interest to the I.C.A. There is a very close working link between the I.C.A. Housing Committee and the Housing Committee of the Economic Commission for Europe, at the meetings of which an I.C.A. observer is always present. The I.C.A. was also approached by the ECE Secretariat for collaboration in the survey of existing practice in ECE countries in regard to methods of studying consumers' wishes and techniques of distributing consumers' goods and an expert to assist in the drawing up of a suitable questionnaire was asked to be nominated.

At the annual session of the ECAFE in March, 1961, the I.C.A. was represented and a statement was presented on its behalf calling attention to its technical assistance activities in the region and the establishment of the Regional Office and Educational Centre. Both at the Regional Conference of Asian Economic Planners in New Delhi and at the Seminar on Planning and Administration of National Community Development Programmes at Bangkok, the I.C.A. had sent its observers. Again at the annual session at Toyko in 1962, the I.C.A. was represented.

At the 1963 session at Manila, Philippines, the Regional Officer for South-East Asia was asked by the Executive to attend with two special objects in view. The first was to make good, by means of a written statement, an omission in an ECAFE Working Paper on Savings and Investment in the Developing Countries, in which no reference was made to the actual or potential contribution of Co-operation to building up saving habits amongst the people or diffusing an understanding of the functions of saving and investment in economic development. The second was to call attention to the rôle of Co-operation in the national economies of the region. With the support of certain national delegations, notably those of Pakistan and Philippines, this object was achieved through the unanimous adoption, by a Committee of the whole Commission, of a resolution which requested the Executive Secretary to set up an expert group, or by any other appropriate means, to investigate the rich potential of the Co-operative Movement for achieving a faster rate of economic and social progress in the region, also to seek the co-operation of the UN Specialised Agencies *and* such Organisations as the I.C.A. in this investigation.

ECLA. In May 1961 the I.C.A. sent a Statement to the Annual Session of the Economic Commission for Latin America expressing interest in the co-operative development of the region, and asking that Mr. R. Vicens - who was then making his I.C.A. tour - be allowed to address the Commission.

International Labour Organisation.

Technical Assistance. The friendly exchanges of information and consultations between the I.C.A. and ILO on co-operative questions, which go back to the creation of the ILO Co-operative Service over forty years ago, have become more important since the constitution of the Co-operation and Small-Scale Industries Division, and the allocation to ILO of the major responsibility within the UN Long-Term Programme of Technical Assistance for projects in the co-operative field. This responsibility has grown much heavier in recent years as a result of the large number of newly constituted States which have applied for expert help in various forms for initiating Co-operative Movements and establishing viable Co-operative Organisations, both economic and educational.

The recruiting, training and supervision of expert advisers and demonstrators in Co-operation in adequate numbers gave rise to difficult problems for which often only imperfect and short-term solutions could be found. In January, 1962, the Technical Assistance Sub-Committee profited by its meeting at Geneva to discuss these problems with the officers of the Co-operation and Small-Scale Industries Division. This valuable exchange of views could only reach tentative conclusions for action on the international level. The most helpful immediate prospects, however, appeared to be offered by certain national training projects, notably in Western Germany, Sweden and the U.S.A.

Co-operative Activities of ILO. In December, 1962, after an interval of several years, the Co-operation and Small-Scale Industries Division convened a meeting of experts in Co-operation drawn from every continent to which observers from certain non-governmental organisations were also invited. The I.C.A. was represented by the Director. The Division submitted to this meeting the draft of a Survey of Development and Trends in the World Co-operative Movement Today which had been compiled with outside assistance specially recruited for the purpose. In the course of the discussion every important aspect of the world co-operative situation was reviewed and useful suggestions were made for incorporation in the revised version of the survey which it is hoped will eventually be published.

The Agenda of this meeting included discussion of a factual paper submitted by the Division on ILO Activities in the Field of Co-operation. One of the most significant facts of recent years has been the expansion in the work of the Division since it became "operational," i.e., actively engaged in technical assistance in addition to the collection, presentation and distribution of information on Co-operation which were its original, and still are important, functions. It became evident during the discussion, that the personnel engaged on co-operative work had not been adequately increased to enable it always to cope effectively with all these tasks. The Executive, after receiving the Director's report on the meeting, agreed that consideration should be given to the question of what might be done by the I.C.A. and other interested Non-Governmental Organisations to induce the ILO to strengthen the personnel engaged in work of such great value to the expansion of Co-operation throughout the world.

Housing and Education. The Authorities of the Alliance have also been following attentively the action of the ILO in other fields of workers' welfare, notably

housing and education. Workers' Housing figured for two successive years on the agenda of the International Labour Conference. Statements calling attention to the importance of Co-operative Housing were presented to the Conference in 1960 by the Director, and in 1961 by Dr. Boson. The comprehensive Recommendation on Workers' Housing finally adopted emphasised, among other things, the importance of the maximum collaboration by all concerned - governments, workers' organisations, housing co-operatives and the building industry - in order to employ existing resources as effectively as possible in overcoming the housing shortage.

Besides continuing its programme of workers' education, which includes the publication of a series of manuals in a variety of languages, the organisation or subsidising of seminars, advisory missions, and travelling bursaries, the ILO has established at Geneva an International Institute of Labour Studies which has its own Board and Advisory Committee, and is supported by an endowment fund for which an initial target of \$10 million was set. The Institute held its first course in the autumn of 1962 with the main theme of 'The Labour Force and its Employment'. While the Institute is devoted mainly to economic and social studies necessary for workers as trade unionists and citizens, the ILO is also considering the establishment of an International Centre for Professional and Technical Training at Turin. The development of both Institutes is being observed with a view to possible opportunities for the introduction of advanced studies on co-operative problems and techniques.

Other groups of problems under examination by the ILO Conference and Governing Body with bearings on Co-operation, are Women's Work in a Changing World, and Land Reform with its economic and social problems.

U.N. Food and Agriculture Organisation.

Freedom from Hunger. During the last three years the Freedom from Hunger Campaign, promoted by FAO and endorsed by the General Assembly of the United Nations in October, 1960, has been gathering momentum. It reached its climax in the World Food Congress which was convened at Washington from 4th to 18th June. The I.C.A. was represented at the Advisory Committee meeting at FAO Headquarters of Non-Governmental Organisations collaborating in the Campaign, while on the national level a number of its affiliates have taken individual action or joined in efforts promoted by their Governments. In November, 1962, a circular was sent to member Organisations urging them to support the Campaign, and to report briefly on their action.

The object of the Campaign is to bring home to the peoples of the world as never before what still needs to be done to banish the spectre of undernourishment, not simply for a moment, but for ever. Relief operations, such as the \$100 million programme for the use of food surpluses to combat famine and aid economic development, are not excluded, but the true object of the Campaign is to bring about a manifest and permanent improvement in the situation both of individual countries and of the world.

Financing Agricultural and Co-operative Development. Looking to the possible long-term results of the Freedom from Hunger Campaign, the I.C.A. submitted to FAO's General Conference in 1961, a constructive proposal in an important field to which too little consideration seemed to have been given, namely, finance. The proposal originated with Mr. G. Davidovic, then I.C.A. Secretary for Agricultural Co-operation, who submitted it first to the Agricultural Sub-Committee and subsequently to the Executive. Although both Committees had reservations about the proposal, which was the establishment of an International Bank for Agricultural and Co-operative Development, there was general agreement that the problem, for which it was advocated as a solution, was of fundamental importance. It was, therefore, agreed that Mr. Davidovic should embody his proposal in a reasoned memorandum to be circulated at the FAO General Conference in virtue of I.C.A.'s consultative status, in order to provoke discussion. In this it certainly succeeded. In the main there was no little support for the contention that the needs of agriculture had not hitherto played any great rôle in the plans and operations of International Financing Institutions, and that agriculture generally attracted less long-term investment than industry, power and transport. But there was much less support for, and more criticism of, the suggestion to establish a special International Bank.

The Executive, when it reviewed the proceedings at the Conference, decided to continue its efforts to induce FAO to study the problem of finance. A further approach was made, this time to the Director-General, and a fresh memorandum was prepared, under the guidance of the President, stating the problem against a broader background. The views in this memorandum met with the approval of FAO experts, and the Director-General in an interview with an I.C.A. delegation at Rome in May, 1962, expressed himself entirely in favour of a high-level investigation which the I.C.A. proposed. It was, therefore, possible there and then to agree on the terms of reference of the enquiry and the manner of its organisation. In the latter half of 1962, FAO began to recruit eminent authorities from different parts of the world for a study-team and to approach the Governments of the various countries in which it was proposed to make enquiries. As FAO itself had no budget to meet the costs of the investigation, the Swedish National Committee for Technical Assistance, on the appeal of the I.C.A. President, agreed to adopt it as a project within the framework of the Freedom from Hunger Campaign and to make a grant of \$50,000. Any costs above this figure will be borne by Kooperativa Förbundet.

The terms of reference of the investigation are --

- a. To review the institutions and facilities in selected developing countries for channelling funds from domestic and external sources to aid agricultural development, especially through co-operatives and other farmers' associations operating in such fields as credit, supply, processing and marketing;
- b. To recommend measures for improving the effectiveness of the use of these funds in the interest of enhancing the efficiency of agriculture and promoting the well-being of rural populations;
- c. To help prepare, if asked for, a programme of action indicating priorities (eliminating present indebtedness, ensuring a productive use of credit, providing satisfactory forms of security);

d. Where the situation disclosed by the examination carried out under a. appears amenable to immediate treatment, to advise while still in the country, but in consultation with FAO Headquarters, on remedial measures of an urgent nature;

e. To recommend the most suitable means for assisting governments to keep under review and to promote the continuing progress of agricultural financing facilities for such purposes, either by strengthening existing institutions or by the creation of new ones;

f. To report to FAO and the governments of each country visited the results of their enquiries and their recommendations for immediate and future action.

The team of experts held its first meeting at FAO Headquarters on the 17th April and following days, to interpret its terms of reference and decide on its methods of work. From Rome, the team moved to Cairo, where it divided into two groups, one to study African and the other to study Asian countries selected as examples of particular situations and stages of development.

Co-operation at FAO.

Two Divisions of the FAO Secretariat are directly concerned with Co-operation - Rural Institutions and Services Division and Fisheries Division. Within the former is a Co-operation, Credit and Rural Sociology Branch, which includes one specialist on Agricultural Co-operation, whose duties cover technical assistance, publications and every other aspect of co-operative work. He is, of course, supported by the Chief of the Division and the Head of the Branch, both of whom are recognised experts in co-operative affairs. This situation is quite fortuitous, however, and it is difficult to avoid the conclusion that, having regard to the importance of Co-operation in its various forms as an element in a healthy and prosperous rural society, FAO, like ILO, is somewhat understaffed for dealing with it.

The initiative taken by FAO in 1960 of convening a conference of International Governmental and Non-Governmental Organisations engaged in the promotion of Co-operation has been justified by results. These conferences have become annual events because they serve a variety of common purposes. They not only enable past experience to be exchanged and its significance assessed for future policy, but also foreshadow activity in the immediate and remoter future and indicate fields of possible joint action. If this last activity has not been as fruitful as could be desired, the main cause is the limits to the capacity of staffs already over-burdened to carry out projects outside the regular work of their respective Organisations.

The relations between the I.C.A. and the Fisheries Division have continued to be mutually helpful. On behalf of FAO the I.C.A. published *Co-operation*

for *Fishermen*, a handbook to Co-operative Organisation in the industry, compiled by Miss M. Digby, in the official languages of FAO – English, French, and Spanish. This is the first considerable work to be issued by the I.C.A. in Spanish. A new form of collaboration has become possible through the activity of FAO experts carrying out technical assistance missions in fisheries. Much of the technical guidance they provide and the improved vessels and equipment which they recommend can benefit the fishermen only if an adequate economic and financial basis can be supplied. Hence the need for Co-operation and for experts in co-operative fishery organisation to take over extension work at the point where the technical experts leave it. This point has been reached already, for example, in Chile. In South-East Asia, the existence of the Regional Office has enabled regular liaison to be established between the I.C.A. and FAO officers concerned with fisheries in the region.

UN Educational, Scientific and Cultural Organisation.

Consultative Status of the I.C.A. In 1961, the Executive Board of UNESCO, having reviewed its consultative relations with non-governmental bodies, adopted a system of classification similar to that of the United Nations, and placed the International Co-operative Alliance with over twenty other Organisations, in Category A: This recognition of the I.C.A. is a tribute to the importance of the breadth and variety of interests it represents and the value of its contributions to UNESCO's work for international understanding and educational progress generally, and cannot but be gratifying to all its members. Nevertheless, it imposes obligations, as well as conferring privileges. One of these obligations is to make a constructive contribution to the Conference of Non-Governmental Organisations, its various committees and working groups which are regularly called into consultation by UNESCO. Like the other Specialised Agencies UNESCO is an inter-governmental body, but it cannot depend for the fulfilment of its scientific, educational and cultural ends on governmental action alone, especially when so many of its member Organisations are of recent establishment, understaffed for administrative purposes and lacking in experience. It, therefore, relies on the collaboration of Non-Governmental Organisations and their efforts to extend their national sub-structures in the developing countries, not simply for building up national systems of education, but more particularly in extending educational facilities out of school for both young people and adults. The Conference of Non-Governmental Organisations should, therefore, become more than a sounding-board for official UNESCO policies; it should play a dynamic rôle by giving them new substance and shape, based on the experience of the member Organisations. If it is to do this, the I.C.A. and other Category A Organisations have a responsibility for ensuring that the Conference and its organs become steadily more business-like, effective and influential.

UNESCO Conferences and Programmes. Since the Congress of Lausanne the I.C.A. has been represented at two General Conferences of UNESCO. If the Conference held in 1960 was somewhat different from those at which it had been represented in the previous ten years, it was largely because the I.C.A. and other Non-Governmental Organisations were not obliged to campaign to maintain the place in the programme, and the requisite budgetary allocations, for

Adult Education and Study Travel for Workers. A proposal to discontinue the European study tours and reduce the total allocation for workers' exchanges had been withdrawn before the Conference opened, and the sum of \$80,000 was allocated for this purpose for the years 1961-62. On the other hand, the budget for adult education did not permit of more than one meeting in the two-year period of a new Committee for Advancement of Adult Education, set up to implement the recommendations of the World Conference on Adult Education at Montreal.

Even though the total UNESCO budget submitted for the approval of the 1962 General Conference had been raised to \$40 million, as compared with over \$32 million for 1961-62, no more than one meeting of the new Committee for Adult Education was provided for in the draft Programme. The principal N.G.O.'s engaged in adult education and a number of Member Governments were acutely disappointed, but their hopes of a successful campaign for annual meetings were considerably dampened when several of the most important States made pronouncements in favour of a reduction in the total budget by 5 per cent or more. As a contribution to this, the proposal to abolish the workers' exchange programme was again given an airing and a campaign was necessary to save at least a part of it. In the event a resolution in favour of annual meetings of the Committee for Adult Education was carried and the grant for workers' study groups in Europe was reduced to \$40,000 compared with \$80,000 for 1961-62.

From the standpoint of the I.C.A., the fact that educational projects now account for over 50 per cent of UNESCO's total budget is by no means a cause for dissatisfaction. UNESCO's campaign to abolish illiteracy and many other projects in the educational field are worthy of enthusiastic support. Nevertheless, the procrustean method by which the General Conference fixes a total budget and then reduces the programme to fit it has little to commend it, for it leads to a situation in which projects are finally adopted not so much according to their merits as to the relative power of contending pressure groups. There is also a danger that literacy should come to be regarded as the only key to learning, and schools the only places in which education can be acquired. The Co-operative Movement and other people's movements based on democratic principles and traditions should not forget the due claims of other media of learning than books and of education as a life-long experience which continues for workers and citizens long after school and student days are past.

Adult Education. It is very gratifying that the Director-General, in constituting the International Committee for the Advancement of Adult Education, recognised the devotion and service to adult education of Mr. Ch.-H. Barbier by appointing him expert member of this Committee, without previous nomination by the I.C.A. The Committee held its first meeting at UNESCO Headquarters in Paris and took up questions involved in the implementation of the Montreal Conference recommendations.

International Exchanges. Workers' study tours in Europe have been organised on lines similar to those of previous years, except that it has become the rule to incorporate in the tour a three-day study session on some theme of international

significance. Thirteen Co-operative Organisations received travel grants in 1961, fourteen in 1962, fifteen in 1963, while other Organisations were assigned priorities if funds unexpectedly became available. The reduced budget of only \$40,000 will not permit any grants to be made in 1964. The danger of such a hiatus, in view of persistent attempts to abolish this feature of the programme, is obvious. The educational value of the workers' study tours was confirmed by a special study session convened by the Swiss National Commission for UNESCO in November, 1962, when the experience of the previous ten years was passed in review.

As a result of the extension of the workers' exchange system in recent years to Asia, Africa and Latin America, many groups of co-operators have been able to make tours and attend courses of great value. In Asia, groups of three students from Ceylon, Israel, Japan, Malaya and Pakistan benefited in this way. The importance of this means of contact and information for the leaders and active members of young Co-operative Organisations with restricted incomes can scarcely be exaggerated, for it broadens their conception of Co-operation and opens their minds to the international plane. An innovation was introduced in 1961-62 by grants to leaders and teachers in adult education to enable them to work in various institutions, both teaching and undertaking research in their own subjects, for periods ranging from three to twelve months. These grants will be available for inter-continental travel which has special advantages for students possessing a good groundwork of previous knowledge and experience. It is hoped that grants will be made in 1963 to candidates from the developing countries for the K.F.-S.L. Training Course in Sweden.

International Atomic Energy Agency.

The I.C.A. has continued to receive documentation from this Agency and to be represented at its General Conferences at Vienna by Dr. A. Vukovich. Among the many aspects of the study of peaceful use of atomic energy, the I.C.A. devotes particular attention to such topics as the employment of power reactors for the generation of electric energy, particularly in arid regions; the use in agriculture of radio-active isotopes, and the effects of radio-activity especially on foodstuffs. Whenever possible, the I.C.A. arranges representation at technical conferences on these subjects convened by IAEA.

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

Organisation for Economic Co-operation and Development.

The documentation provided by this Organisation, notably in the field of restrictive business practices, continues to be of great assistance to I.C.A. economic research. During the last three years, however, the activity of OECD has been concentrated in directions in which the Co-operative Movement in general, and the I.C.A. in particular, are less directly interested.

Organisation of American States.

The information accumulated by the co-operative expert in the Division of Labour and Social Affairs has been exceedingly useful to the I.C.A. Technical Assistance Sub-Committee in its consideration of the measures to be taken by the I.C.A. in extending help to Co-operative Organisations in Latin America.

South Pacific Commission.

The rôle of this Commission in the promotion of Co-operation in the archipelagos of the Pacific Ocean is of prime importance. For many years it has maintained a Co-operative Specialist on its Staff and sent regular reports on its activities to the I.C.A. In April, 1961, the Commission held its Second Technical Meeting on Co-operatives at Noumea, New Caledonia, with the participation of ten Pacific territories in some of which Co-operative Movements are now well-established.

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then referred to I.C.A.
or to I.C.A.*

I.C.A. and Other Non-Governmental Organisations.

The consultations at Secretariat level between the I.C.A. and other Non-Governmental Organisations, chiefly in Category A Consultative Status with the United Nations, were resumed in 1962 when a meeting was held at Paris on the initiative of the **World Veterans' Association**. The chief question discussed was the possibility of extending the privileges of the Category A Organisations to participation in certain Committees of the General Assembly. In addition, there has been consultation from time to time on the promotion of Co-operation in developing countries, also policy questions on which joint action appeared to be possible or desirable.

International Chamber of Commerce.

The I.C.A. was represented by observers at the ICC Congresses at Copenhagen in 1961, and at Mexico City in 1963. Mr. Ch.-H. Barbier has continued to represent the Alliance at the half-yearly meetings of the Commission on Distribution which follows very closely the evolution of distributive trade and related problems of market research, merchandising and publicity, and produces an exceedingly useful documentation.

International Federation of Agricultural Producers.

Exchange of documentary and other information between the Secretariats of I.C.A. and IFAP has continued on lines which have now become customary. The common interest of the two Organisations in co-operative development creates a bond which is strengthened by participation in each other's courses and other meetings. At the I.C.A. Schools of 1961 and 1962 lectures on Agricultural Co-operation were delivered by the Co-operative Specialist of IFAP and by a former Chairman of its Committee on Agricultural Co-operation.

International Centre for Research and Information on Collective Economy.

The increasing attention paid to Co-operation in the Congresses and publications of this Organisation and the frequent contacts between the Secretariats are gratifying to note. Co-operation has been the subject of special papers at the last two Congresses of the International Centre. In 1961, the Director of the I.C.A. introduced the subject of the Contribution of Co-operation to the Objects of Collective Economy—Liberty, Security and Well-being. A resolution subsequently adopted unanimously declared that “every advance of Co-operation signifies progress at once human, social, economic and political.” At the 1963 Congress held at Rome, before a strong delegation of Co-operators which included three members of the I.C.A. Executive, Professor G. Weisser presented a paper on Planning in Co-operative Undertakings.

Obituary.

Congress will pay tribute to the memory of Co-operators everywhere who have died in the past years, remembering especially some who have given outstanding services to the cause of Co-operation, national and international—

Neil Beaton, former member of the I.C.A. Central Committee and Executive, and President of the Scottish Co-operative Wholesale Society, who died on 23rd October, 1960.

Professor Odal Stadius, member of the I.C.A. Central Committee and Director of Yleinen Osuuskauppojen Liitto, Finland, who died on 22nd July, 1961.

Paul Ramadier, former member of the Central Committee, and animateur of the French Consumers' Co-operative Movement, who died on 14th October, 1961.

Emil Lustig, former Czechoslovak Co-operative leader, and Managing Director of the Czech Co-operative Wholesale Society, who died in Sweden on 17th January, 1962.

Cecily Cook, President of the International Co-operative Women's Guild, and former General Secretary of the English Co-operative Women's Guild, who died on 25th June, 1962.

Dr. Julius Brecht, member of the Central Committee, Director of Gesamtverband, Cologne, who died on 10th July, 1962.

Frederick Nielsen, former member of the Central Committee, Managing Director of the Danish C.W.S. and of the Scandinavian Wholesale Society, who died on 22nd December, 1962.

Olof Eng of Sweden, Executive Secretary of the Auxiliary Committee on Retail Distribution, who died in September, 1962.

Georges Lebon, former member of the Central Committee, one of the founders and former Director of the French Wholesale Society.

MAURITZ BONOW,
President.

W. P. WATKINS,
Director.

G. F. POLLEY,
General Secretary.

Amendments to the

Amendments proposed by the Central Committee which are consequential to the Re-Organisation of the Secretariat -

Article 35. The Director.

The Director shall be responsible for the necessary action to give effect to the decisions of the Congress, the Central Committee and the Executive, and for the control of the affairs of the I.C.A. in the intervals between meetings of the Executive.

In particular he shall have the following duties and obligations -

- (a) To control the use of the finances, according to the provisions of the budget, the work of the personnel, the establishments and the activities of the Alliance.
- (b) To take part in the meetings of the Authorities with power to give advice but without a vote.
- (c) To arrange and prepare documentation for the Congress and meetings of the Committees of the I.C.A.
Also to participate in such ways as the policy of the I.C.A. may require in the work of the Auxiliary Committees and Working Parties.
- (d) To represent the I.C.A. whenever the Executive may so decide at meetings of the United Nations Organisations and of Voluntary and Non-Governmental Organisations with which the I.C.A. shall have established relations.
- (e) To maintain relations between the I.C.A. and its members, to undertake such visits to National Movements, affiliated and non-affiliated, as the Executive may determine.

In Articles 9, 14, 19, 20, 25, 29 in which references are made to " the General Secretary " the words will be changed to read " the Director."

Amendments proposed by Société Générale Coopérative, Brussels -

Article 8. Eligibility.

Associations of persons or Co-operative Organisations which observe the Aims of the I.C.A. and the Policy laid down by its Congress shall be eligible for membership of the I.C.A.

Any Association of persons, physical or morale, irrespective of its legal constitution, shall be recognised as a Co-operative Society provided that it has for its object the economic and social betterment of its members by means of the exploitation of an enterprise based upon mutual aid, and that it conforms to the Principles of Rochdale, particularly as regards -

Rules of the I.C.A.

Present Texts of Rules to be amended.

Article 35. The Director and the General Secretary.

The Director shall be responsible for the necessary action to give effect to the decisions of the Congress, the Central Committee and the Executive, and for the control of the affairs of the I.C.A. in the intervals between meetings of the Executive.

In particular he shall have the following duties and obligations –

(a) *To take part in the meetings of the Authorities of the I.C.A. with power to give advice but without a vote.*

(b) *To represent the I.C.A. whenever the Executive may so decide at meetings of the United Nations Organisations and of other Voluntary and non-Governmental Organisations with which the I.C.A. shall have established relations.*

(c) *To maintain relations between the I.C.A. and its members, to undertake such visits to National Movements, affiliated and non-affiliated, as the Executive may determine.*

(d) *To edit the publications of the I.C.A.*

The General Secretary shall have the following duties –

(a) *To carry out the duties of the Director in his absence.*

(b) *To conduct the general work of the Secretariat.*

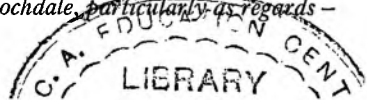
(c) *To take part in the meetings of the Authorities of the I.C.A. with power to give advice but without a vote, and to prepare the Minutes of all meetings.*

(d) *To manage the funds according to the budget, and having regard to the decisions of the Central Committee and the Executive.*

Article 8. Eligibility.

Associations of persons or Co-operative Organisations which observe the Aims of the I.C.A. and the Policy laid down by its Congress shall be eligible for membership of the I.C.A.

Any Association of persons, irrespective of its legal constitution, shall be recognised as a Co-operative Society provided that it has for its object the economic and social betterment of its members by means of the exploitation of an enterprise based upon mutual aid, and that it conforms to the Principles of Rochdale, particularly as regards –



Article 8. Eligibility—*continued.*

Voluntary Membership;

Democratic Control assured by the election of the administrative organs of the Association by the members freely and on the basis of equality;

The Distribution of the Surplus to the members, in proportion to their participation in the social transactions or in the social services of the Association;

Limited Interest on Capital.

Subject to compliance with these conditions, the types of Associations eligible for membership shall include the following —

- (a) National Unions or Federations of Co-operative Societies of the types mentioned in (f), (g), (h), (i), (j)
- (b) National Federations of Co-operative Unions.
- (c) Regional Unions of Co-operative Societies.
- (d) Consumers' or Agricultural Co-operative Wholesale Societies.
- (e) Co-operative Banks and Co-operative Insurance Societies.
- (f) Consumers' Co-operative Societies.
- (g) Co-operative Societies of Industrial Producers or Artisanal Co-operatives.
- (h) Agricultural or Fishery Co-operative Societies.
- (i) Co-operative Credit Societies.
- (j) Housing and Building Societies.
- (k) Other Associations of persons, physical or morale, or Associations which have as their aim the Promotion of Co-operation.

Article 14. Associate Membership.

Co-operative Organisations of any of the types mentioned in Article 8, which through their aims and activity promote the development of co-operation in conformity with the objects of the Alliance, but which, by reason of the fact that in their early stages of development they are receiving outside support, have not yet complete control of their affairs, shall be eligible for Associate Membership as a transitional stage towards full membership and shall be reviewed periodically by the Executive.

Organisations desirous of becoming Associates shall apply to the Executive on the form to be supplied by the Director, sending with their applications two copies of their Rules (or a translation in one of the official languages of the I.C.A.), last Annual Report and Balance Sheet.

Present Texts of Rules to be amended.

Article 8. Eligibility—continued.

Voluntary Membership;

Democratic Control assured by the election of the administrative organs of the Association by the members freely and on the basis of equality;

The Distribution of the Surplus to the members, in proportion to their participation in the social transactions or in the social services of the Association;

Limited Interest on Capital.

Subject to compliance with these conditions, the types of Associations eligible for membership shall include the following –

- (a) National Unions or Federations of Co-operative Societies of the types mentioned in (f), (g), (h), (i), (j).*
- (b) National Federations of Co-operative Unions.*
- (c) Regional Unions of Co-operative Societies.*
- (d) Consumers' or Agricultural Co-operative Wholesale Societies.*
- (e) Co-operative Banks and Co-operative Insurance Societies.*
- (f) Consumers' Co-operative Societies.*
- (g) Co-operative Societies of Industrial Producers or Artisanal Co-operatives.*
- (h) Agricultural or Fishery Co-operative Societies.*
- (i) Co-operative Credit Societies.*
- (j) Housing and Building Societies.*
- (k) Other Associations of persons or Associations which have as their aim the Promotion of Co-operation.*

Article 14. Associate Membership.

Co-operative Organisations of any of the types mentioned in Article 8, which through their aims and activity promote the development of co-operation in conformity with the objects of the Alliance, but which, by reason of the fact that in their early stages of development they are receiving outside support, have not yet complete control of their affairs, shall be eligible for Associate Membership as a transitional stage towards full membership.

Organisations desirous of becoming Associates shall apply to the Executive on the form to be supplied by the General Secretary, sending with their applications two copies of their Rules (or a translation in one of the official languages of the I.C.A.), last Annual Report and Balance Sheet.

Amendments proposed by Société Générale Coopérative—continued.

Article 14. Associate Membership—continued.

Associates, subject to the full and up-to-date fulfilment of their financial obligations, shall have the right -

- (a) To receive gratis the regular publications of the I.C.A.
- (b) To nominate an observer to meetings of the Central Committee without the right to speak or vote.
- (c) To nominate an observer to the Congress without the right to vote but with the right to speak subject to the consent of the Congress.
- (d) To receive from the Secretariat of the I.C.A. all appropriate services, advice, etc.

Amendments proposed by Ustredni Rada Druzstev, Prague, and Centrosoyus, Moscow.

Article 14. Associate Membership.

Delete.

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Czechs'*

Article 18. Rate of Subscription.

I. The subscription of each affiliated Organisation shall be calculated in accordance with the scales 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. The subscription of individual I.C.A. members which are in a difficult financial situation shall be laid down by the Executive in accordance with Article 33 (c).

II. Until the Central Committee shall decide otherwise, the rate of subscription shall be calculated as follows -

The subscription of a National Co-operative Union or Federation shall be at least £150 increased for each National Organisation and each Primary Society included in its membership in accordance with the following scales -

Primary Societies.

| £ | s. | d. | | | | |
|----|----|----|---------------------------------------|------------|----------|--------|
| 0 | 5 | 0 | if average membership does not exceed | 300 | | |
| 0 | 12 | 0 | „ „ „ | is between | 301 and | 600 |
| 1 | 5 | 0 | „ „ „ | „ | 601 „ | 1,000 |
| 1 | 15 | 0 | „ „ „ | „ | 1,001 „ | 2,000 |
| 2 | 15 | 0 | „ „ „ | „ | 2,001 „ | 3,000 |
| 3 | 10 | 0 | „ „ „ | „ | 3,001 „ | 5,000 |
| 4 | 0 | 0 | „ „ „ | „ | 5,001 „ | 10,000 |
| 5 | 0 | 0 | „ „ „ | „ | 10,001 „ | 15,000 |
| 6 | 0 | 0 | „ „ „ | „ | 15,001 „ | 20,000 |
| 10 | 0 | 0 | „ „ „ | exceeds | 20,000 | |

Present Texts of Rules to be amended.

Article 14. Associate Membership—continued.

Associates, subject to the full and up-to-date fulfilment of their financial obligations, shall have the right—

- (a) *To receive gratis the regular publications of the I.C.A.*
- (b) *To nominate an observer to meetings of the Central Committee without the right to speak or vote.*
- (c) *To nominate an observer to the Congress without the right to vote but with the right to speak subject to the consent of the Congress.*
- (d) *To receive from the Secretariat of the I.C.A. all appropriate services, advice, etc.*

Article 14. Associate Membership.

See Text on pages 56, 57.

Article 18. Rate of Subscription.

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

Until the Central Committee shall decide otherwise, subscriptions shall be calculated as follows—

Individual Membership.

II. The subscription of each National Union admitted under clauses (a) and (b) and Regional Unions admitted under clause (c) of Article 8 shall be £150.

The subscription of each Primary Society admitted under clauses (f), (g), (h), (i), (j) and Associations admitted under clause (k) of Article 8 shall be in accordance with the following scale—

| | | | |
|-------|-------------------------------|--------------|-------------------|
| £ 3 | if membership does not exceed | 1,000 | |
| £ 6 | „ „ | is between | 1,001 and 3,000 |
| £ 10 | „ „ | „ | 3,001 „ 5,000 |
| £ 18 | „ „ | „ | 5,001 „ 10,000 |
| £ 35 | „ „ | „ | 10,001 „ 25,000 |
| £ 50 | „ „ | „ | 25,001 „ 50,000 |
| £ 70 | „ „ | „ | 50,001 „ 100,000 |
| £ 140 | „ „ | „ | 100,001 „ 200,000 |
| £ 200 | „ „ | is more than | 200,000 |

Amendments proposed by Ustredni Rada Druzstev, Prague, and Centrosoyus, Moscow—continued.

Article 18. Rate of Subscription—continued.

Consumer Co-operative Wholesale Societies or National Federations of Farmers' Co-operative Marketing and Supply Societies - £50 for each £5 million of trade with a minimum subscription of £50 and a maximum of £1,500.

Co-operative Insurance Societies - £5 for each £100,000 of Premium Income, with a minimum subscription of £50 and a maximum of £1,000.

Co-operative Banks and/or Central Credit Organisations - £100 for the first £1 million or part thereof of Own Capital, an additional £50 for each subsequent £1 million or part thereof of Own Capital, with a maximum subscription of £1,000.

III. No National Organisation shall be obliged to pay more than £10,000.

Present Texts of Rules to be amended.

Article 18. Rate of Subscription—continued.

The subscription of each Consumer Co-operative Wholesale Society or National Federation of Farmers' Co-operative Marketing and Supply Societies, admitted under clause (d) of Article 8, shall be £50 for each £5 million of trade with a minimum of £50 and a maximum of £1,500.

The subscription of each Co-operative Insurance Society admitted under clause (e) of Article 8 shall be £5 for each £100,000 of Premium Income, with a minimum subscription of £50 and a maximum of £1,000.

The subscription of each Co-operative Bank and/or Central Credit Organisation admitted under clause (e) of Article 8 shall be £100 for the first £1 million or part thereof of Own Capital, an additional £50 for each subsequent £1 million or part thereof of Own Capital, with a maximum subscription of £1,000.

Collective Membership.

III. Collective Membership – or the admission of a National Union or Federation with all its constituent members on a basis that accords the privileges of membership to each of the latter – shall be acquired by a minimum subscription of £150 in respect of the Union or Federation concerned, and a contribution for each National Organisation and each Primary Society included in its membership in accordance with the following scales –

Primary Societies.

| £ | s. | d. | | | |
|----|----|----|---------------------------------------|---------|----------|
| 0 | 5 | 0 | if average membership does not exceed | 300 | |
| 0 | 12 | 0 | „ „ „ is between | 301 and | 600 |
| 1 | 5 | 0 | „ „ „ „ „ | 601 | „ 1,000 |
| 1 | 15 | 0 | „ „ „ „ „ | 1,001 | „ 2,000 |
| 2 | 15 | 0 | „ „ „ „ „ | 2,001 | „ 3,000 |
| 3 | 10 | 0 | „ „ „ „ „ | 3,001 | „ 5,000 |
| 4 | 0 | 0 | „ „ „ „ „ | 5,001 | „ 10,000 |
| 5 | 0 | 0 | „ „ „ „ „ | 10,001 | „ 15,000 |
| 6 | 0 | 0 | „ „ „ „ „ | 15,001 | „ 20,000 |
| 10 | 0 | 0 | „ „ „ exceeds | 20,000 | |

Consumers' Co-operative Wholesale Societies or National Federations of Farmers' Co-operative Marketing and Supply Societies – £50 for each £5 million of trade with a minimum subscription of £50 and a maximum of £1,500.

Co-operative Insurance Societies – £5 for each £100,000 of Premium Income, with a minimum subscription of £50 and a maximum of £1,000.

Co-operative Banks and/or Central Credit Organisations – £100 for the first £1 million or part thereof of Own Capital, an additional £50 for each subsequent £1 million or part thereof of Own Capital, with a maximum subscription of £1,000.

IV. The subscription of each Associate admitted under Article 14 shall be fixed by the Executive

V. No National Organisation shall be obliged to pay more than £10,000.

Article 23. Representation at Congress.

Representation at Congress, subject to the full discharge of their financial obligations to the I.C.A. shall be accorded to affiliated Organisations as follows – provided that the Organisations of one country, or of a union of countries, shall not exercise more than 15 per cent of the total voting power of the Congress –

(a) National Organisations admitted under clauses (a), (b), (c), (d) and (e) of Article 8 shall be entitled to one vote (delegate) in respect of Membership and an additional vote (delegate) for each complete £100 of subscriptions.

(b) Organisations admitted under clauses (f) (g), (h), (i), (j), (k) of Article 8 shall be grouped nationally and each national group shall be accorded one vote for each complete £100 of their global subscription.

Each delegate shall have been for at least 12 months previous to appointment a member of the affiliated Society or Union making the nomination, or of a constituent member of such Union.

A fee of £3 shall be paid for each delegate, and shall be sent to the Secretariat with the nomination form.

Article 29. 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 approve decisions of the Executive regarding the admission of Associates.

(d) To appoint the Director of the I.C.A. and to fix his remuneration.

(e) To appoint the Auditor.

(f) To confirm the budget of the I.C.A. drawn up by the Executive.

(g) To decide the Agenda and the date of the Congress, and to report on all matters submitted to 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 appoint the Trustees and if thought expedient to do so to remove the Trustees or any of them from time to time and appoint new Trustees in the places of any Trustees who shall die, resign, or be removed as aforesaid,

Present Texts of Rules to be amended.

Article 23. Representation at Congress.

Representation at Congress, subject to the full discharge of their financial obligations to the I.C.A., shall be accorded to affiliated Organisations as follows – provided that the Organisations of one country, or of a union of countries, shall not exercise more than 15 per cent of the total voting power of the Congress –

(a) National Organisations admitted under clauses (a), (b), (c), (d), and (e) of Article 8 on the basis of Individual Membership (Article 18 II), shall be entitled to one vote (delegate).

(b) National Organisations admitted under clauses (a) and (b) of Article 8 on the basis of Collective Membership (Article 18 III), shall be entitled to one vote (delegate) in respect of membership, and an additional vote (delegate) for each complete £100 of subscriptions.

(c) Organisations admitted under clauses (f), (g), (h), (i), (j), (k) of Article 8 shall be grouped nationally and each national group shall be accorded one vote for each complete £100 of their global subscription.

Each delegate shall have been for at least 12 months previous to appointment a member of the affiliated Society or Union making the nomination, or of a constituent member of such Union.

A fee of £3 shall be paid for each delegate, and shall be sent to the Secretariat with the nomination form.

Article 29. 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 approve decisions of the Executive regarding the admission of Associates.

(d) To appoint the Director and the General Secretary of the I.C.A. and to fix their remuneration.

(e) To appoint the Auditor.

(f) To confirm the budget of the I.C.A. drawn up by the Executive.

(g) To decide the Agenda and the date of the Congress, and to report on all matters submitted to 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 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.

Article 29. Duties of the Central Committee—continued.

(k) To make or authorise on behalf of the I.C.A. all purchases, leases, sales, exchanges, mortgages, and other matters referred to in Article 38 (b), hereof.

(l) To decide on matters not provided for in the Rules.

(m) To empower the Executive to create, in individual cases, Auxiliary Sub-Committees and Working Groups comprised of representatives of Co-operative Movements of the socialist, capitalist and neutral countries on the basis of parity, for the preparation of specific problems for consideration by the I.C.A. Authorities; to define precisely the tasks of the above-mentioned Sub-Committees and the time-limit of their existence.

Article 32. Executive.

The Executive shall consist of the President, two Vice-Presidents, and eleven other members elected by the Central Committee from amongst its members, while for each of the three groups of countries (socialist, capitalist and neutral) shall be reserved a certain number of seats according to the numerical strength of membership of the Co-operative Organisations of the respective group of countries.

The Organisations of one country, or union of countries, shall not have more than two representatives on the Executive, excluding the President of the I.C.A.

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

Article 35. Directorium.

The Directorium shall consist of three representatives of the Co-operative Organisations of capitalist, socialist and neutral countries, respectively, and shall be responsible for putting into effect the measures necessary for the implementation of the decisions and resolutions of the Congress, of the Central Committee and of the Executive, as well as for the management of the affairs of the I.C.A. between sessions of the Central Committee.

Note – The above amendment refers only to the first paragraph of Article 35.

Present Texts of Rules to be amended.

Article 29. Duties of the Central Committee—continued.

(k) *To make or authorise on behalf of the I.C.A. all purchases, leases, sales, exchanges, mortgages, and other matters referred to in Article 38 (b) hereof.*

(l) *To decide on matters not provided for in the Rules.*

Article 32. Executive.

The Executive shall consist of the President, two Vice-Presidents, and eleven other members elected by the Central Committee from amongst its members immediately after each Congress.

The Organisations of one country, or union of countries, shall not have more than two representatives on the Executive, excluding the President of the I.C.A.

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

Article 35. The Director and the General Secretary.

See Text on page 55.

Motivation of the Amendments to Rules

Proposed by Centrosoyus and Ustredni Rada Druztev.

1. In the International Co-operative Alliance there are, at present, three categories of membership:

Collective Membership (Article 18) with full rights;

Individual Membership (Article 18) with limited representation;

Associate Membership (Article 14) without the right to discuss or vote.

These categories of membership, providing member Organisations with different degrees of representation, or also a different extent of rights, are being misused – for discriminatory reasons – for activities impeding the development of broadest International Co-operation, and at the same time undermining the basis of a homogeneous International Co-operative Organisation. Consequently, it appears necessary to adopt some amendments for a unification of the membership and thereby also for establishing equal conditions and rights for all member Organisations. The efforts of young Co-operative Movements in Asia, Africa and Latin America, aiming to create their own Regional Unions, are a further evidence of disapproval with the I.C.A. policy of discrimination to which these Movements are exposed. The policy of discrimination has its unfavourable reflections also in the fact that less than a half of all the members of Co-operatives in the world are represented in the International Co-operative Alliance.

2. With regard to the social and economic changes which are taking place in the world – confirmed also by the Resolution of the XXI I.C.A. Congress on the Paper “Co-operation in a changing world” and which had their reflection in the creation of the socialist system, in the disintegration of the colonial system as well as in the rise of a group of neutral countries – these changes must necessarily also be reflected in the structure of the I.C.A. authorities, of its auxiliary institutions and its administrative machinery. The aim of this measure is to assure an equal representation in the I.C.A. authorities for the Co-operative Organisations from capitalist, socialist as well as from developing countries.

With regard to the above-mentioned facts and in the interest of strengthening the prestige of the I.C.A. as a homogeneous, really universal International Organisation, based on democratic principles, serving the democratic development of friendly as well as commercial international collaboration among Co-operative Societies of countries with different social systems, the respective Management Boards of the Centrosoyus in Moscow and of the Central Co-operative Council in Prague propose the foregoing amendments to the Rules.

Resolutions of Affiliated Organisations

National Co-operative Union of India.

Passed unanimously

Promotion of Consumer and Processing Industries in Developing Countries.

It will be recalled that the Twenty-First Congress endorsed the Long Term Technical Assistance Programme of the I.C.A. for the Promotion of Co-operation in the developing countries. One of the points of the Programme is "Promotion and Expansion of Trade between Co-operative Organisations in developing countries and the highly developed Movements in Western countries." The promotion of trade is, no doubt, highly important.

Besides promotion of trade, there is another field which deserves the immediate attention of the Co-operative Movements of the highly developed countries, and that is the establishment of consumer and processing industries on co-operative lines. It is common knowledge that one of the tasks in which the developing countries are engaged is the development of consumer and processing industries. That these industries should be built up with as much speed as possible with a view to conserve resources of foreign exchange for investment in capital goods industries, and to reduce their dependence on other countries for consumer goods, is but natural. In this process, unless the Co-operatives come into the field and set up processing and consumer industries, these industries are likely to be monopolised by cartels.

Co-operatives are being assisted and helped by the Governments of the respective countries as well as by the I.C.A. for improving their efficiency and expanding their sphere of operation. But the people will not be able to realise the benefits of co-operative action in the sphere of agricultural production, etc., unless, as consumers also, they get benefits of co-operative action. But the Co-operatives themselves lack capital as well as the necessary technical know-how to set up consumer and processing industries. It is, therefore, necessary that the I.C.A. should give serious consideration to this problem."

The following motion is, therefore, suggested for consideration by the forthcoming Congress of the International Co-operative Alliance -

3. *66* The Congress calls upon the Co-operatives of the developed countries to collaborate with similar Organisations in the developing countries in setting up consumer and processing industries in those fields in which the Co-operatives of the developed countries have made headway and gained experience, by providing capital and technical know-how.

To this end, the I.C.A. should find out from the Co-operatives of the developed countries the areas in which they are interested to collaborate and the extent of capital and technical know-how they could provide for the purpose.

with the I.C.A.
The I.C.A. Asian Regional Office should undertake a survey for ascertaining the specific fields in which such collaboration is desirable from the point of view of the economics of the industry, the growth of local demand and supply position of the goods and the possibilities of exports.

67
WFA is setting up an International Corp. Dec. 1 above the

National Co-operative Union of India.

Distribution of Co-operative Literature.

66 One of the important factors that help the promotion of Co-operation is wider dissemination of information. Information about the practices, procedures and policies of Co-operatives which have proved their usefulness to the promotion of the Movement on sound lines in developed countries is of utmost importance to the Movements of developing countries. This would help them avoid the processes of trial and error in working Co-operatives, through which the developed Movements passed a long time ago. Such information is largely available only in the literature put out by the highly developed Movements. This literature has yet to find its way to the Movements of the developing countries. In most cases, it could be said, without any fear of contradiction, that necessary literature is not available in the national languages of the developing countries. This is a need which must be satisfied with utmost urgency, and can be undertaken only by the I.C.A. which has established means to get the information. The I.C.A. should, therefore, undertake this work as part of its Technical Assistance Programme. 99

The following motion is submitted for consideration by the forthcoming Congress -

5 106 The Congress directs the I.C.A. to compile and make available such literature as has already been published by the fully developed Co-operative Movements and considered useful in its efforts for promoting Co-operation in the developing countries. The I.C.A. shall make available such literature to the National Co-operative Organisations of the developing countries with necessary finance for translation into national languages and distribution in the respective countries on an extensive scale, as part of its Technical Assistance Programme. 4

* * * *

Lega Nazionale delle Cooperative, Italy, submits the following Amendment to the above Resolution -

In line 4 after "The I.C.A." add the words, "after a careful selection made in close consultation with the interested National Organisations and in collaboration with its Auxiliary Committees." 400 ICA

Unanimously adopted -

The Duties of the Co-operative Movement Towards Young People.

The 22nd Congress of the I.C.A. emphasises the great importance, at the present time, of educating the younger generations in order to attract them to the principles and ideals of Co-operation.

The profound changes in the world of today, in the economic and social structures of science and techniques, have brought about great changes in the way of life, the ideals, the cultural interests and the vocational tendencies of the younger generations.

The efforts of Co-operative Organisations to adapt themselves to this new reality, in accordance with the recommendations of the Lausanne Congress, inevitably affect the problems which condition their ideal and practical influence on youth and, consequently, on the future of Co-operation in the world.

In particular, the necessity is recognised of renewing and adapting the content and form of propaganda and of the education of young people to win their support for the ideal and practical function of Co-operation as a Movement which demands and works for a higher social order in the interests of humanity.

Youth must be encouraged to take part in co-operative activity and also, after suitable preparation, to accept positions of responsibility in Co-operative Organisations.

To achieve these ideal and practical aims of attracting young people to Co-operation, National Organisations are urged to develop their own specific initiatives as regards the problems of youth, and the particular needs of youth in education and vocational training, as well as in cultural and recreational activities.

To create a co-operative consciousness among young people the promotion of contacts between young co-operators of different countries, thus contributing to the cause of friendship and peace, is of great importance.

The 22nd Congress, therefore, with a view to organised and well-oriented co-operative youth work emphasises the desirability of creating Permanent Committees for Youth Activity within the National Movements.

Japanese Consumers' Co-operative Union, Tokyo.

Establishment of an Investigation Committee for Membership Eligibility Inside the Central Committee.

Article 10 of the Rules of the I.C.A. provides that, in the event of the Executive rejecting an application for membership, the Organisation in question shall have the right of appeal to the Central Committee.

When an appeal is made, it is necessary to investigate the situation carefully. We think it is better to send a group of persons to the country concerned in order to investigate the real position, and help deliberations in the Central Committee.

We, therefore, propose -

That an ad hoc Committee for Membership Eligibility be established, consisting of at least three members of the Central Committee;

That any Organisation whose application for membership has been rejected by the Executive shall give all possible assistance to the ad hoc Committee enquiring in its country;

That the ad hoc Committee shall report its observations to the Executive and Central Committee.

* * * *

Lega Nazionale delle Cooperative, Italy, submits the following Amendment to the above Resolution -

In the first paragraph of the Proposal, to replace the words "of the Central Committee" by "**appointed in each case by the Central Committee.**"

To Organise Discussion Meetings and Seminars for Strengthening the Co-operative Movement against International Monopolies.

Side by side with the development of economic blocs, the net-work of monopolies has expanded and been strengthened internationally, extending even to the field of distribution.

In Japan, through the successive mutilation of the Anti-Monopoly Law and of cartel-formations, monopolies have grown up enormously and now dominate the whole economy.

In the process of foreign trade liberalisation, many legal considerations will be carried in favour of monopoly, one of which is the Bill for Strengthening International Competitive Powers.

Japanese Consumers' Co-operative Union, Tokyo.

Medium and small enterprises have also been cartellised and forced to be subordinates of monopolies.

In their control of economy, the Co-operative Movement has become an antagonist for the monopolies. Therefore, the oppression towards the Co-operative Movement has become far heavier and stronger, and legal restrictions are applied. The Fundamental Bill for the Medium and Small Enterprises aims to suffocate the Co-operative Movement on the pretence of adjusting fields of business activities between the big, medium and small enterprises and non-profit organisations.

Moreover, in the distributive field, the giant supermarket-chains of the U.S.A. are planning to land in Japan. This has caused a strong opposition movement amongst Japanese retailers as this is a life-and-death problem to them. The Retailers' Association of the U.S.A. has expressed its solidarity and sympathy towards this movement in the name of Mr. Wimmer, Vice-President. We think this is also a vital question for our Co-operative Movement.

These phenomena not only exist in Japan but also internationally to a certain extent.

The anti-monopoly movement should be strengthened and initiatives taken by the Co-operative Movement for the protection of the consumers' interests and for the establishment of consumers' supremacy.

It is a very important task for the I.C.A. to consolidate the Co-operative Movement of each country, to strengthen the Movement against monopoly and, at the same time, to assist the anti-monopoly movement in close collaboration with the consumers', labourers', peasants', and women's organisations in the world; further, to advise adequately the competent Governments, the U.N. and International Organisations to take proper measures for the protection of consumers.

Therefore, it is urgently necessary -

That a special Committee be set up within the I.C.A. to examine the present monopoly situation and support or initiate efficient anti-monopoly action: also,

The organisation of discussion groups and Seminars on the subject is recommended.

*This Resolution was dropped; instead ICA author's
71
- some action on the lines in the text
see:*

Centrosoyus, Moscow.

Strengthening Unity and Collaboration in the International Co-operative Movement.

The birth of the Co-operative Movement created as a counter-action against the brutal exploitation of the toiling masses and the poverty, which the development of capitalism brought is of historical interest. Since then one and a half centuries have passed, and the world has experienced profound socio-economic changes.

Historical experience and the practice of the Co-operative Movement certify that the Movement, developing in countries with different social orders, can contribute to a raising of the material standard of the working people and the defence of their socio-economic rights, as well as play an important rôle in eliminating the threat of a new war in the life of humanity, in creating an atmosphere in the world in which quiet and fruitful work of the human being would be possible.

At the same time the character and the direction of the activity of the Co-operative Movement are conditioned by the relations in the sphere of production which exist in the social and economic order.

Under the influence of increasing monopolistic concentration of production and capital the process of amalgamation of Co-operative Societies is going on; very often the democratic principles are violated, sometimes resulting in the liquidation of the Co-operative. Therefore, the broad masses of co-operators must actively struggle to defend their democratic rights.

Co-operative Organisations which want to practice co-operative principles must take steps to overcome the attempts of the capitalist state – which serves the monopolies and is hostile towards the Co-operative Movement as the organisation of the toiling masses – to put co-operation under its influence and to restrict co-operative activity. The bourgeois state passes laws for increasing taxation on co-operative establishments, hampering or prohibiting the opening of new shops, restricting the sale of goods to non-members, etc.

The rule of monopolies and the restriction of co-operative activity by the bourgeois state explains why the rôle of the Co-operatives in the present capitalist world is rather restricted; why co-operation embraces an insignificant part of the population and has only a small share in the retail turnover. In the Federal Republic of Germany co-operation embraces 5 per cent of the population only, and its share in the retail turnover of the country stays at 4 per cent; in the Netherlands, Belgium and France membership of Co-operative Societies varies from 3 to 6 per cent of the total population and their share in the retail turnover does not exceed 10 per cent. An important London newspaper published figures which show that whereas the general retail turnover in Great Britain had risen by 4 per cent the retail turnover of the Co-operative Movement increased by only 1 per cent.

Even in the capitalist type of production Co-operatives however can do much to improve the material situation of the toiling masses, to increase their consciousness and the development of their activity. Co-operative Organisations can appeal

to their Governments, and insist on measures for restricting the arbitrary rule of monopolies. Bourgeois governments sometimes have proved to be inferior to co-operative organisations. It is known, for instance, that in 1956 when bills were presented to the British Parliament which threatened the financial position of the co-operatives and gave full scope to private firms, London Co-operative Society appealed to the shareholders to unite to defend their rights. In one day 200,000 signatures were collected in protest against this hostile act of the Government against Co-operatives.

In Austria, Consumers' Co-operatives succeeded some time ago to restore the right to establish co-operative savings-banks, whose activity was prohibited by the fascists during the occupation of the country. Well-known are the achievements of Swedish co-operators in the fight against monopolies and the changing of the co-operative law in their favour.

In those capitalist countries where there are progressive leaders at the head of the Movement and where the Co-operatives have the support of the broad masses of the working people and their public organisations, the rôle and significance of co-operation in defending the interests of the toiling masses is much greater.

After overcoming great difficulties, the National League of Italian Co-operatives ensures to the workers in co-operative enterprise higher wages, as compared with private enterprise, supplies working people with goods at better prices, whilst Housing Co-operatives supply their members with flats.

Great success has been achieved by the Japanese Union of Consumers' Co-operatives, which was created in 1951, and now has more than 3,920,000 members.

The position and the direction of activity of co-operation in many new countries of Asia and Africa, which have achieved political independence but not economic independence, is determined by the fact that under present conditions, both social and economic, the aims of the state and the co-operatives are to put an end, as soon as possible, to the heritage of colonialism.

The governments of a number of economically lesser developed countries cherish great hopes in co-operation for the fulfilment of their plans. The co-operative sector helps them to spread state regulation to scattered branches of production, agriculture and handicraft; to reconstruct small-scale industries; to solve one of the main problems which face the governments of these countries, the food problem, as well as to contribute to increasing the capacity of the internal market. Therefore, the governments of the new states are extending help and support to the co-operatives, and are often themselves the initiators of the creation of different types of co-operatives. In a number of countries, bills are passed which ensure the co-operatives a certain legal position; governments extend financial assistance, and also in training co-operative personnel.

State assistance to Co-operatives in economically lesser developed countries does not infringe their co-operative character; it contributes to their growth and the strengthening of their position. The Co-operative Movement in these countries applies its efforts in the most different branches of economy; it plays a great rôle in educational and training work, and gains popularity and respect among the working people, fighting for their social rights.

Co-operatives in the independent countries of Asia and Africa are seen more and more as a serious factor of national development and if they will actively collaborate with other organisations of the toiling masses, with all progressive, patriotic forces, they can make a considerable contribution to the fight for rooting out the remnants of imperialism and for fundamental democratic reforms.

In socialist economy the activity of co-operation is conditioned by its socialist nature, in the first place, by the replacement of capitalist production relations, based on private ownership of the means of production by socialist production relations, based on public ownership of these means. The activity of co-operation is determined by the economic laws of socialism. Socialism means a planned organisation of public productive process for securing the welfare and sound general development of all members of society. This is the essence of the basic economic law of socialism, which is applied by the socialist state for the organisation of production to meet more completely and better the growing material and spiritual needs of the people. In particular these aims are pursued by the Co-operative Movement, thus the interests of the movement and the socialist state coincide and the state assists co-operation in its work. This assistance finds its expression, first of all, in the laws which protect the rights of co-operatives as regards their property and provides for them a juridical position in which they are completely independent and have a proper place in the system of planned economy.

As distinct from Co-operatives of the capitalist countries, acting under the conditions of a spontaneous market economy, the Co-operatives of the socialist countries work within the framework of a planned economy, which helps them to use more rationally their resources. Thanks to the uninterrupted economic growth of the socialist countries, the activity of the Co-operative Movement experienced rapid development.

A distinctive feature of the socialist Co-operative Movement lies in the voluntary membership, broad self-activity, and great activity of the members themselves. The most important form of mass participation in the management of the Co-operatives are the general and sectional meetings, at which all questions of organisational, economic and financial activity are decided. The members show great interest in the meetings which are a good source of economic and management education of the socialist countries. All the organs of management and control in the co-operatives are elected by and are responsible to the members or their representatives. The Movement in the socialist countries is really a big economic organisation of the toiling masses, which makes a significant contribution to the cause of socialist and communist construction.

In the course of the march of socialist countries towards communism, more and more functions of the state organs will be transferred to the organisations of the toiling masses. In this way, the rôle and aims of public organisations, among them the co-operative movement, will grow.

Soviet co-operators support the view that co-operators of different countries have many common features; the International Co-operative Movement has a number of problems connected with co-operative development of the movement, improvement of the welfare of the masses, actions in defence of peace, etc., in the solution of which the co-operators of the whole world are interested. Peaceful co-existence of states with different social orders is an objective necessity for

the development of human society. Under these conditions the full collaboration of the co-operators of the whole world is still more necessary, but collaboration between them can only be effective and lasting if it is based on mutual confidence and respect.

History shows a lot of fruitful collaboration between states with different public orders, between public organisations which have different views on the construction of society and on ways of improving the life of the people.

We can note with satisfaction examples of such collaboration also between Co-operative Organisations. Previous Congresses of the I.C.A. for instance, adopted peace resolutions, resolutions on International Co-operative Trade, the development of contacts for the purpose of exchange of experience in co-operative activity, the fight against monopolies, etc. This shows that to strengthen the unity and extend collaboration between Co-operatives in countries with different public orders, only one condition is necessary – that is mutual desire of the Co-operative Organisations of all countries.

As “ the International Co-operative Alliance 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 ” it must, and can, contribute to the development and strengthening of friendly and economic relations, collaboration between Co-operatives irrespective of the political and social order in which they function. This means that the Alliance should contribute to the development of international co-operative ties, to the exchange of experience of co-operative construction, exchange of delegations, literature and other information. It must find ways and means for creating an atmosphere of mutual confidence between Co-operatives, contribute to the implementation of decisions, and take co-ordinated action on the fundamental problems of the International Co-operative Movement, such as the development of international co-operative trade, fight against capitalist monopolies, assistance to co-operatives of economically lesser developed countries, fight for peace and security of the people.

The successful solution of these problems is possible under the conditions of the unity of the International Co-operative Movement with progressive peoples' organisations. Considering that the international situation is still rather tense, and endangers the health and life of the people as a result of the uninterrupted armaments race and nuclear weapon tests, it is especially necessary to achieve the unity and collaboration of all the forces in the struggle for preserving and strengthening peace, and for the achievement of mutual understanding between all the people.

Resolution.

*Approved
by France,
A.P.S.F.*

The 22nd Congress of the I.C.A. – considering

That, during the last years, serious changes have occurred in the world, which find expression in the creation of states with different socio-economic systems, determining the nature and direction of activity of the Co-operative Organisations;

That, without an analysis of these changes, it is impossible to determine the aims and methods of the Co-operative Movement under present conditions;

That the Co-operatives in different countries face their own problems;

That under the conditions of the ~~present tense~~ international situation, continuing armament race and nuclear tests, ~~threatening the health and the life of the people~~, it is particularly important to achieve the unity and collaboration of all peace-loving forces in the struggle for the preservation and strengthening of peace and mutual understanding between all the people -

Recognises the important rôle of the Co-operative Movement under the conditions of all existing socio-economic systems;

Considers that though there are differences, the Co-operative Organisations of all countries have possibilities for fruitful collaboration in a number of problems both in the economic sphere and in such problems as the development of the Co-operative Movement, improvement of the welfare of the population, actions to defend peace, support of the national independence movement of the peoples and other problems, in which the whole humanity is interested;

That collaboration on these problems between the Co-operatives of countries with different public order is possible and necessary for the co-operatives and the peoples of the whole world;

That the whole activity of the I.C.A. should be directed to the strengthening of the unity of the International Co-operative Movement and collaboration between National Co-operative Organisations developing under different socio-economic conditions to providing joint action of the co-operative movement with other peoples organisations of the toiling masses -

Decides -

- 22nd*
2nd
1. To recommend to all National Co-operative Organisations to display a spirit of collaboration and mutual understanding, to strengthen and develop friendly and business relations on the basis of mutuality.
 2. To approve the activity of the National Co-operative Organisations, rendering assistance to the Co-operatives of the economically underdeveloped countries without any political and economic conditions.

The 22nd Congress of the I.C.A. expresses the confidence that the National Co-operative Organisations and the authorities of the I.C.A. will use all ways and means to create an atmosphere of mutual confidence between the co-operatives and to contribute to the working out of mutually agreed decisions and joint actions in the struggle for peace and security of the people, for complete universal and controlled disarmament, for the liquidation of the remnants of colonialism in every form, as well as in the basic problems of the international co-operative movement.

Non carried

Reformulation of the Fundamental Principles of the Co-operative Movement.

Paying homage to the Rochdale Pioneers, who formulated the fundamental principles of the Co-operative Movement, which for more than 100 years have contributed to the development of the Movement in all countries and helped the Co-operatives in the struggle against the exploitation of middle-men and the improvement of the situation of the toiling masses -

The Central Committee of the International Co-operative Alliance states that, during the 119 years which have passed since the formulation of the above-mentioned principles, humanity as a whole and the Co-operative Movement in particular have passed through a long period of historical development; serious changes have occurred in the political and economic life of the peoples; and the conditions in which the Co-operative Movement exists and functions have changed.

Therefore, the necessity becomes imminent to formulate new principles of the Co-operative Movement corresponding to present conditions.

On the basis of the foregoing, and led by the desire to contribute to the further-development of co-operation in the world -

on the request
The Central Committee ~~recommends the Congress~~

To constitute an authoritative commission to formulate the fundamental principles of activity of co-operation under modern conditions;

To empower the Commission to study which of the principles of the Rochdale Pioneers have retained their importance to the present time; which of them should be changed, and how, in order to contribute in the best manner to the fulfilment of the tasks of the Co-operative Movements and, finally, which of them have lost their importance and should be substituted by others;

To empower the Commission to formulate new principles of co-operative activity;

To include in the Agenda of the 23rd Congress of the Alliance consideration of new principles for the activity of the Co-operative Movement;

To empower the Executive to request the National Co-operative Organisations, members of the I.C.A., to send their proposals on this subject;

To ask the Central Committee to consider the proposals of the National Co-operative Organisations and those of the Commission at a meeting preceding the 23rd Congress and to submit its opinion to the Congress.

The above proposal is based upon the following -

One of the principles laid down by the Founders of the Rochdale Society was sale at market prices. At that time this principle was based on the necessity of adaptation to existing capitalist conditions, as the Co-operatives were very weak and could not begin an open struggle with private capitalist traders, therefore, in order not to suffer failure they had to sell their goods at the prices existing on the market.

At present Co-operative Organisations, supported in many countries by the state and having accumulated considerable resources, sometimes sell goods at prices lower than those fixed by private establishments. In the Soviet Union co-operatives sell their goods, especially agricultural products, at prices lower than those existing on the market, thus playing a regulative rôle and contributing to the lowering of prices on the market which are fixed in accordance with the prices of co-operative and state trade.

The Rochdale Pioneers also laid down the principle of the distribution of the profits of a society in proportion to the business of the member with the Society. At that period when goods were mainly sold to the members of a Co-operative, such a principle was justified, as in this way the members got back the amount paid above the value of the goods, when buying at market prices. Now many goods are sold to non-members. Therefore, by the distribution of the profit among the members they receiving certain sums in respect of non-members' trade which is unjustified income. For Co-operatives in many countries which are obliged rapidly to modernise their trading enterprises, arises the question of reducing, even eliminating, the dividend; in other countries the members themselves propose that these sums be used for the social needs of the co-operatives.

Cash trading, which was one of the Rochdale Principles had its genesis in the fact that selling for cash enabled the co-operative to buy for cash, thus retaining independence from capitalist establishments. Now, credit trade is one of the mostly used means of competitive struggle and many Co-operatives use this method of trade. Thus life itself has abolished this principle and it is hardly possible to insist now on strict adherence to it.

Another of the Rochdale Principles was political and religious neutrality, which meant, as some co-operative leaders state, that Co-operatives should not join or support a political party. We know, however, that a number of Co-operatives do join and support political parties and religious organisations. For a long time this principle has not been observed - for example, in Great Britain a Co-operative Party exists, which is officially connected with the Labour Party.

At the same time, under present conditions it is necessary to work out new principles, which will contribute to the development of the Movement nationally and internationally. Everybody is aware that recent fundamental social and economic changes in the world find their reflection in the appearance of the world socialist system, of a number of independent states in Asia, Africa and Latin America where the Co-operative Movement faces a number of new problems.

There are other motives for submitting the above proposal, but it is obvious that under new social-economic conditions new principles must be formulated.

Uniunea Centrala a Cooperativelor de Consum, Roumania.

UNION

The Conversion to Peaceful Needs of Resources Released by Disarmament.

At its 22nd Congress the International Co-operative Alliance, in the name of its 163 million members -

Reaffirms its deep conviction that the arms race and the testing of nuclear weapons must be brought to an end everywhere, and universal and complete disarmament thus achieved under effective international control.

Recalls that military expenditure at the present time totals approximately 120 thousand million dollars per annum, which is equal to two-thirds of, or even to the entire, national income of the developing countries.

Considers Co-operation to be an effective means of raising the standard of living of people in the developing countries.

Expresses its complete support of Resolution No. 1837 (XVII) adopted by the General Assembly of the United Nations on 18th December, 1962, on the utilisation of resources at present employed for military purposes for peaceful purposes, for the benefit of humanity as a whole and particularly for the economic development of developing countries.

Urges States carrying out surveys on the economic consequences of disarmament to give their attention to the problem of using a part of these resources for the development of the Co-operative Movement in developing countries.

Calls on co-operators and Co-operative Organisations to support any action which can contribute to the realisation of the most important and most urgent task of humanity, the achievement of universal and complete disarmament.

Papers

on

**I. Long-Term Programmes
of Co-operative Promotion
and the
Conditions of their Realisation**

By Mr. W. P. Watkins, Director, I.C.A.,

**II. Economic Integration
and Co-operative Development**

By Mr. Thorsten Odhe, Sweden

Long-Term Programmes of Co-operative Promotion and the Conditions of their Realisation

By Mr. W. P. Watkins, Director, I.C.A.,

from study this

The 22nd Congress of the International Co-operative Alliance is the third to devote two of its sessions to the promotion of Co-operation in the newly-developing regions. The debate at the Lausanne Congress in 1960 terminated with the presentation by President Marcel Brot of the Long-Term Programme which had been drawn up by the Technical Assistance Sub-Committee of the Executive. As its title indicates, the present paper re-opens discussion where the preceding discussion concluded.

The International Co-operative Alliance through its Sub-Committee on Technical Assistance has been playing an active rôle in the promotion of Co-operation in Africa, Asia, Central and South America and the Middle East for nearly nine years. At the outset of its work the Sub-Committee advisedly refrained from drafting a long-term programme because it was aware that to do so successfully required a broader groundwork of experience and deeper knowledge of the varying conditions of the several regions than it then possessed. The only major long-term operation initiated at an early stage was the exploration of the co-operative situation in the regions, one by one, beginning with South-East Asia, in order to gather the necessary knowledge and establish links with National Co-operative Movements and their leaders as an essential basis for mutual confidence and collaboration. This work of enquiry and exploration was later extended to other regions and is still going forward.

For somewhat longer, within the framework of the Expanded Programme of Technical Assistance, the United Nations and certain of its Specialised Agencies have been helping co-operative development through governmental channels. For the past three years the most important International Organisations, Governmental and Non-Governmental, concerned with the promotion of Co-operation have been holding annual joint meetings for the exchange of information on plans and programmes as well as of views on common problems. Among them all, as their experience has broadened and lengthened, the opinion is growing in acceptance that the development of Co-operation, if it is to result in the establishment of vigorous and enduring Co-operative Movements, needs to be conceived and planned henceforward in terms of longer periods of time.

The Necessity of Long-Term Planning.

One general assumption underlying the present paper is that a proper appreciation of the time factor is indispensable to any solid, constructive achievement in the co-operative field. Such appreciation implies, not haste, but its very

opposite, namely, the recognition that a certain lapse of time is inevitable between the sowing of the seed of Co-operation and the harvest of its fruits. The essential is to ensure the full and proper utilisation of time through the choice of the right methods of promotion and their application with courage, patience and persistence. It is a fallacy to reject correct methods of promotion on the ground that there is insufficient time to apply them. To apply wrong or inferior methods is not to gain time, but to waste it – also energy and money into the bargain.

The reasons for this are to be found in the character of Co-operation as a technique of economic and social organisation, in its dependence on processes of education and in the structures through which it normally finds expression. The structure and growth of the Co-operative Movement may be compared to those of living organisms. Life, with its functions of nutrition and reproduction, manifests itself in the cell. Normally, in the Co-operative Movement life first appears in the primary society of producers or consumers who come together out of a sense of common interest in order to work for common ends. The Movement grows as a tree grows, through multiplication of such primary cells and their grouping for various specialised purposes, not as a modern steel frame building is erected. The International Co-operative Movement may be compared to a banyan tree, which throws out branches and may ultimately grow into a wood as extensions from the branches reach down to the soil and themselves take root.

Of course, the analogy should not be pressed too far, but it is valid at least to this extent, that laws of growth whether biological or sociological must be respected. They cannot be infringed with impunity, they determine the periods required by vital processes and these periods, as a rule, can be shortened only at the cost of impairing the final result. In other words, early success in hastening co-operative development has very often to be paid for by weakness or inefficiency at a later stage.

The necessity of taking time is no less evident from the standpoint of the Co-operative Movement's dependence on education and training of more than one kind. There can be no Co-operation worthy of the name without Co-operators, that is, men and women who possess the minimum of knowledge, the social techniques and the moral qualities which Co-operation demands from members and leaders alike. Co-operators are mostly not born but made by a process of education which implies, in the developing countries and elsewhere, learning from fresh experience, adoption of novel ideas, adjustment to new methods and habits, acceptance of new loyalties and standards of behaviour on the part of both individuals and groups. There is no magic which can change self-interested individualists into Co-operators overnight. That is why attempts to launch Co-operative Movements by legislative, administrative or propagandist methods alone, while omitting or short-circuiting the indispensable educational work, have resulted in notorious failures in advanced, as well as in newly-developing, countries.

Yet another consideration points to the need for long-sighted planning and the avoidance of over-hasty action. In hardly any country is Co-operation the only progressive movement. In many it is an element in a many-sided endeavour

to promote social welfare for which Community Development has become the commonly accepted term. In this field state-help and self-help are frequently combined. The self-help, of course, may range from simple mutual aid, such as the mobilisation of the whole labour force of a village for some special task like road-making or drainage, to the organisation of a permanent service as a co-operative enterprise. No hard and fast dividing lines can be laid down, but it is evident that co-operative and community development activities are bound to act and react upon each other and should, therefore, be co-ordinated on the local, regional and national planes. Again, there is a similar need for a co-ordination between co-operative enterprise and the efforts of Government to improve the technique and productivity of agriculture or to relieve the widespread lack of capital amongst agriculturists. Effort and resources have been wasted in the past because the problems of rural welfare, in the transition from traditional to modern agricultural economy, have been tackled over-hastily or piecemeal, instead of being studied as a complex whole requiring co-ordinated and concerted effort by both governmental and non-governmental institutions.

National Co-operative Planning.

The Long-Term Programme announced at Lausanne was not a list of things to be achieved so much as a plan of continuing action along lines which earlier experience had indicated as necessary or desirable. The exploration of the developing regions will one day be complete, but afterwards it will be indispensable for the I.C.A. to keep in touch with the changing situation and the progress of the Movement in these regions. Experience in South-East Asia proves that exploration leads, as was inevitable and was, in any case, intended, to the I.C.A. becoming more and more deeply concerned with the activities of Co-operative Organisations in the region, particularly through research and the promotion of education at all levels and in all desirable forms.

Speaking broadly, at the stage the promotion of Co-operation has now reached the effectiveness of the aid provided from outside by International Organisations, governmental or non-governmental, depends mainly upon the ability of the co-operative and governmental authorities within the individual countries to frame and carry out long-term programmes of co-operative development. These programmes cannot be provided ready-made by external agencies. They can be properly drawn up only by those who know a given country, its people and their aspirations from the inside. The International Organisations can give help and advice on particular points, but the co-operative programme of any nation should be the work of its own nationals who understand intuitively its genius and its needs.

Another important consideration, however, is the need for continuity. In more than one country the help provided by International Organisations has not yielded the utmost benefit which could be expected of it because it was not persistently followed up. Examples could even be cited of countries in which, a few years after an expert mission had been carried out, there remained no visible sign that an expert had ever been there. Granted that lack of continuity may be

caused by extraneous factors (of which more will be said later) it can and does sometimes result from failure in the very beginning to define and clearly envisage long-term objectives and the conditions necessary for their attainment. Granted, again, that in the past international aid has often been restricted in time by budgeting considerations, that was an additional reason for forward thinking on how to conserve the momentum of the action when the external aid and advice came to an end.

On the whole very little co-operative organisation of enduring value and usefulness has resulted from attempts to create a co-operative system to relieve an emergency, such as a rapid rise in prices and profiteering, consequent on the outbreak of war. The hundreds of Consumers' Co-operatives set up with government encouragement in the different continents during the latter years of the second world war for the most part did not survive the return to more normal trading conditions. A healthy, well-established Consumers' Co-operative Movement, if it is already in existence, can be of great assistance under emergency conditions as a price-regulator and a fair and reliable distributor of commodities in short supply. Under emergency conditions, however, it is seldom possible to lay the educational foundations on which an enduring Consumers' Co-operative Movement can be established – and the Societies, which may have sprung up like mushrooms, disappear with equal rapidity. The causes are nearly always incompetent management and an unenlightened, uninterested membership. The task of eliminating inefficiency and profiteering from the distributive system of any national economy is a long-term operation. If Consumers' Co-operation is the chosen method, it must also be given time to develop its competitive power and gather the intelligent support and loyalty of consumers who are fully aware of what is at stake.

In the developing countries the construction of long-term programmes requires, first, the determination of the best starting point and the form of Co-operative Association which is to act as pioneer; second, the elaboration of a strategy and plans which will enable different types of Co-operation to be introduced in the most advantageous order; third, the proper correlation of co-operative development with the progress made in the private and governmental sectors of the economy; fourth, the early establishment of permanent institutions primarily concerned with improving the quality and qualifications of the personnel engaged in co-operative activity at every level.

It is common ground that the developing countries, at their stage of economic evolution, are primarily concerned with agriculture and the well-being of the rural population, usually by far their largest demographic element. Very often this population is in transition from a subsistence to a market economy, that is, from a natural to a money economy. The choice of starting point for co-operative organisation lies mostly between Co-operation in the work of cultivation (co-operative farming) and Co-operation in exchange operations. The latter divides, again, according to whether the exchange operations are concerned with money (credit) or goods (marketing, supply). In other words, the starting point may be co-operative cultivation, or thrift and credit, or sale and purchase, which of the three appears in the light of all the circumstances to offer the greatest advantage or the most urgently needed relief. The cultivator's income can be increased by

reducing his costs or increasing his returns, perhaps ultimately by both at once. Neither the advantage nor the relief should be reckoned in purely economic or material terms. The educational aspect is no less important. The novice in Co-operation must not merely learn to save money but understand why he should do so and why Co-operation enables him to do so. He must not only get a fairer price for his product but understand why co-operative selling yields him in the long run higher return than selling privately. To every type of co-operative enterprise, its proper educational lesson.

The object throughout should be, in the words of Pandit Nehru, "to catch the mind of the villager," and, having caught it, to hold it and nourish it with sound ideas and exercise it on real problems concerned with the economy and social needs of his family, his neighbours and himself. If the members are to play an intelligent rôle in their Societies they must begin to learn how to employ money and how to follow the mutual reactions of supply, demand and prices in respect of the products in which they are interested. The same principles apply, of course, to the introduction of Co-operation to urban dwellers whose wants are to be supplied by Consumers' or Housing or Credit Co-operatives. They no less require to learn about markets and the purchasing power of money and the rôle of saving and investment, in order to become conscious of the economic power they can acquire through Co-operation and to employ it effectively.

Assuming that Co-operation can be firmly planted in the economy and the social outlook of the people, the next consideration is the manner of its growth and development. There are limits to the extent to which patterns of growth can be imposed by external authority on Co-operative Movements without impairing their life and character. It is better to plan and work in harmony with those ways of growing which may be called natural to Co-operation, because to do so is to ensure greater strength and toughness in the Movement's Institutions. Co-operative Movements grow extensively, especially in their early stages, by imitation and by the multiplication of Primary Societies. At a later stage they may, of course, grow intensively by integration and the amalgamation of Societies. Again, they grow by federation or the establishment of Secondary Institutions, by which they often break through from retail into wholesale trade and production, or from simple marketing into processing and exportation, or from trade into banking and insurance. These Secondary Institutions come into existence to serve and support the Primary Societies and enable them to fulfil their various purposes, but they also facilitate the extension of the Movement into successive stages of production and distribution, a process which economists long ago called vertical integration. It is important to bear in mind that federal structures are natural to Co-operation because they represent the further application of basic co-operative principles of association, economy and democracy already practised in the Primary Societies. They spring up in any economic and social system where the Movement is free to develop according to the needs and aspirations of its members. Long-term programmes of co-operative development should take constantly into account the capacity of genuine Co-operative Movements to grow in this fashion in virtue of the energy and economic power they generate within themselves.

What obviously requires careful thought is the direction of co-operative growth and the sequence in which co-operative enterprise is extended to fresh

fields of activity, or in which the various forms of Co-operation are introduced. Problems of priority are bound to arise and few general rules can be laid down for their solution, except perhaps that no form of Co-operation, no matter how desirable, has much chance of success unless it answers to a widespread need strongly felt by the people who are being encouraged to co-operate. The relative urgency of different needs is a rough and ready guide to priority. On the other hand, the complexity or technical difficulty of any form of Co-operation is a consideration pointing to a low priority, or at least to the need for waiting until the necessary knowledge and skill are available among the co-operators. The considerations which bear on this problem may be illustrated by reference to the introduction of Consumers' Co-operation into the developing countries. Very rarely is it suitable as what may be called a "pioneer" form, that is, for introducing the Co-operative Idea to simple, unsophisticated village folk. Thrift or Credit or straightforward Marketing Societies are more likely to be within their capacity to begin with. Consumers' Co-operation involves complicated problems of buying, selling, stock-keeping, price-fixing, book-keeping which are not to be mastered without trained management. (It will be remembered that the Rochdale Pioneers simplified their problems by stocking only four articles at first, and by paying cash down). It may well be that rural populations are shamefully exploited by village shop-keepers; but the latter are usually too well entrenched to be dislodged by inexperienced co-operators. Alternative ideas, based on large-scale operations and combined wholesaling and retailing, have been adopted in certain countries, but their success has not yet been conclusively demonstrated.

An illustration from a rather broader viewpoint is furnished by Danish co-operative history. Consumers' Co-operation on the Rochdale pattern was started in Denmark in 1866. For thirty years it made only slow progress. In that interval the Danish farmers developed their systems of co-operative marketing and processing for butter, bacon and eggs, and by the end of the 19th century were earning a steady money income from these sources. It was then that they turned their attention to possible economies in the spending of this income and Consumers' Co-operatives began to multiply and expand their trade in Danish villages. In a number of the developing countries the situation suggests that they may need to follow the Danish example and wait until their Co-operative Marketing Organisations are working effectively before attempting a difficult kind of co-operative enterprise in a different economic field. Somewhat similar considerations apply to the introduction of such services as insurance. The Insurance Committee of the I.C.A., which has some years of experience of technical assistance in its special field, expressed the opinion, in the course of its Conference at New York in 1959, that insurance on co-operative lines had the best hopes of success when it could be started with the support of some other branch of the Movement already firmly established.

It is self-evident that the promotion of Co-operation cannot and will not proceed in a vacuum. Its aims and strategy are bound to be affected by what happens in other sectors of the economy, more especially the governmental sector. Many Governments, with or without international assistance, draw and execute more or less ambitious plans of agricultural, industrial or commercial development. Reform of the land system, irrigation or drainage, hydro-electric schemes, road, railway and harbour construction are characteristic examples. Co-operative

development can sometimes be co-ordinated with them, possibly as a complement or extension or continuation. Conversely, the execution of government schemes of land reform may provide opportunities for co-operative organisation. As mentioned earlier, it may lead to co-operative farming, especially if big units of expropriated land are kept intact. On the other hand, if land reform increases the number of small peasant holdings, the new proprietors will be economically helpless, as they were in Europe in Raiffeisen's day, without the support of Co-operation for credit, marketing, supply and other purposes besides. Or again, the generation of electric power on a large scale is futile without a system for distributing the current to users – a function which it is well-known Co-operative Societies can discharge efficiently and economically from the user's standpoint.

Industrialisation, whether promoted by private or government enterprise, tends to concentrate populations, giving rise to urban development, and to increase the numbers of people depending for the necessities of life on the purchasing power of wages or salaries. The introduction of co-operative distribution or co-operative housing can mitigate or prevent the worst evils of industrialisation. The working classes of the newly-developing countries need not inevitably suffer the same disabilities as those of Europe did in the industrial revolutions of the 19th century. Co-operative development should have its proper place in the plans of all the countries now working their way towards the "welfare state." The important consideration is that the planners should not set targets or timetables which are unreasonable or impossible, having regard to the nature of Co-operation as a Movement of free men and women and as a technique which can be employed with success only by those who have been schooled to understand it.

The possibility of achieving any planned development of Co-operation is in direct ratio to the amount and quality of the available education. Education should, of course, be included in the plans and precede the introduction of any new branch of the Movement or type of co-operative enterprise. Of the highest importance is the presentation of Co-operation to people to whom it is an entirely novel idea, and those who undertake this task, the extension or field workers, are the most valuable corps of co-operative educators in the world. They constitute the front line of the co-operative advance. Their recruitment, training, organisation, together with the supply to them of literature, audio-visual material and other aids to learning, are the fundamental educational tasks too often neglected in every continent. They are neglected, more often than not, because of over-anxiety to produce economic results or achieve statistical targets which look well on paper and make a good impression on parliaments or the public. There is less excuse for this neglect since FAO published Dr. Laidlaw's excellent handbook for extension workers and the I.C.A. issued in book form the papers and recommendations of its Delhi Seminar on Co-operative Leadership.

For the inauguration of a system of co-operative education, the operative agencies should be a department of government, special association or institution (e.g., Pellervo in Finland) or an international organisation or any combination of these. The first objective should be the training of a corps of field workers skilled in the art of provoking fruitful discussion amongst prospective members of Co-operatives and advising them on the practical problems of forming and

running their Societies. Next in order comes the training of those displaying the qualities of democratic leaders or talent for administration and management. As the Movement grows, the educational system will develop more specialised kinds of training, and distinguish between what education may be centralised in a college and what must be localised in order to be within every co-operator's reach. It will take the form of a network covering the whole country. It will provide the means for greatly improved selection and preparation of the relatively very small number who need and benefit from study abroad, whether in the form of specialised training in co-operative enterprises or attendance at one of the well-known international centres of advanced co-operative studies and research. It is only then that the full benefit will be gathered from the travelling fellowships provided under the UN Expanded Programme of Technical Assistance and by the I.C.A. from its Development Fund.

Conditions Favourable to Co-operative Development.

Co-operation, in the sense of a living social organism, is bound to be affected by the economic, social and political climate of its environment. In the following paragraphs are mentioned some of the most important factors of a climate favourable to co-operative growth.

The first is inevitably education, that is, the general educational level of the population and, in particular, the liveliness and effectiveness of adult education. There is a correspondence, amounting almost to a scientific law, between the level of the co-operative achievement in any country and the standard of its adult education. The campaign waged by many newly independent States, with UNESCO backing, to reduce illiteracy is bound to yield results favourable to Co-operation by increasing the numbers of people and the proportion in their populations who can read, write and calculate. At the same time, however, it is important not to neglect out-of-school education and the use of visual and auditory aids to learning among those who may never achieve full literacy. Allied to education are the spread of technical training and interest in science and technology, the growth of the press and the extension of the media of mass communication. In short, all the influences which open up people's minds, which extend their view of the world and enlarge their ideas of what progress is possible for themselves and all mankind, help to create a milieu favourable to the reception and application of co-operative ideas.

The second is the respect in which elementary human rights and civil liberty are held. What we have in mind here goes much farther than constitutional principles and legal enactments. Modern constitutions may provide for adult suffrage and equality before the law but may have little immediate effect on the substance of social relations, especially where social stratification persists. The obvious example is the position of women in many of the developing countries (and even in countries claiming to be advanced). Women may be enfranchised in the political sense, but continue indefinitely, because of immemorial social custom, to suffer economic, educational and other disabilities which condemn them to

an all too passive rôle in the progress of their nation towards modern standards of welfare and enlightenment. The Co-operative Movement can become one of the instruments of women's liberation from ignorance, poverty, drudgery and social inferiority. It can reinforce its own action by harnessing their energies and idealism to its constructive efforts. But it also stands to gain enormously if other women's movements can be made aware of its aims and potentialities. It is for this reason that the I.C.A., with the support of UNESCO, organised the Seminar in New Delhi in November, 1962, which is reported on pages 38, 39 of the Report of the Central Committee.

The Co-operative Movement stands to benefit, however, from an atmosphere in which freedom of thought and expression of opinion are valued and encouraged, rather than feared and suppressed. If the Movement is to be really dynamic, its members must keep abreast of contemporary thought, discovery and invention in the world at large. One of the chief safeguards of freedom of thought and expression is the rule of law, under which no citizen can be made to suffer in person or property except for offences proved against him in the ordinary courts. It may take considerable time to establish this, but it would make a great difference to co-operative development if the rule of law were accepted as a goal to be striven for in the evolution of national legal systems.

Allied to it is another element of even greater and more immediate practical importance for the Co-operative Movement, so long as it is dependent upon promotion by governments, and that is the ideal of efficiency and integrity in public administration. Many of the newly-constituted independent states have had to assume the responsibilities of government with inadequate administrative cadres. The fact has been recognised by the United Nations and a number of them have been helped by expert advice and by training provided under the Expanded Programme of Technical Assistance. In some countries the lack of experienced administrators has obliged the government to call upon the services of leaders and officials of Co-operative Organisations, thereby temporarily weakening the Movement, until effective replacements could be selected and trained. But the establishment of high standards of professional conduct and devotion to the public welfare is likely to take even longer because it implies a break with old methods and customs and the elimination of vested interests. A process of re-education of both officials and the public is necessary and will take time. In any event, public officials responsible for promoting Co-operation cannot teach efficient administration to co-operators unless they themselves embody efficiency.

One of the great difficulties in many countries at the present stage of their national evolution is to disentangle economic and social progress, which is the aim of Co-operation, from politics, and particularly party politics. This is easily understandable because of the essential rôle played by parties and political doctrine and agitation in movements for national liberation. It is no more than natural that the people should expect those who have led them out of bondage to continue to lead them towards the promised land of the Welfare State. But the problems of self-government and social development are not the problems of insurrection and transfer of power. Their solution requires different methods and different qualities in the statesmen who have to solve them.

So far as Co-operation is concerned, its progress and development can be helped effectively if a country's political leaders are willing to recognise that it is primarily not political. Its essence consists in the will to associate for economic and social advantage, not in the acquisition and exercise of power – in agreement, not compulsion. This is not to claim that Co-operation can be entirely separated from or remain unaffected by politics, but rather that it should not be involved in politics in such a manner or to such an extent that the performance of its economic and social tasks is impaired. This particularly applies to Co-operative Movements in their early stages where the will to associate is relatively weak, the necessity of unity imperfectly understood and the sentiment of loyalty not yet engendered. From the Rochdale Pioneers to the co-operators who drafted the Rules of the I.C.A., the danger to Co-operative Societies and their Federations from tensions among their members arising from differences of political and religious doctrine has always been recognised and guarded against by wise leadership. The wise policy is, on the one hand, not to import into co-operative activities and deliberations political questions on which the membership will sooner or later split; on the other, to strive for such widespread recognition of Co-operation as a good thing in itself that it need not become a matter of party political contention. Not only the unity of the Movement but continuity of government policy in relation to it is here at stake. If the policy and the personnel of the Co-operative Ministry or Department are to be altered with every change of government, the Movement's progress is liable to become nothing more than a succession of false starts. There are other dangers resulting from political influence or interference in co-operative affairs which need not be specified here, as they are obvious.

The last of the "climate" factors to be mentioned in this section of the paper is economic growth and expansion. A government which is intent on the development of the natural resources of its territory, and the improvement of productivity in every branch of its national economy, will find the Co-operative Movement one of the most useful channels through which it can awaken the intelligent interest of the common people in what it is attempting to do. It can never achieve real economic independence unless it finds ways of carrying the people with it and securing their whole-hearted participation. The Movement, in so far as it performs its proper educational functions, diffuses a better understanding of the national economy, its situation and prospects, as well as the necessity of hard work and the sacrifice of present enjoyments for future benefits. But the Movement also gains in vigour and enthusiasm if the members can visualise it as one aspect of the national resurgence and a means whereby they can actively contribute to it.

The rate of economic growth of the developing countries, however, is dependent to a greater or lesser extent on the expansion of international exchange and the progressive liberalisation of the trade and tariff policies of the industrialised countries. A shift in the terms of trade to the disadvantage of the developing countries cancels much of the direct benefit of technical assistance. Technical assistance should not be the perpetuation of dependence under another name. Its true aims, which are the independence of those assisted and the interdependence of all on an equal footing, should not be allowed to be frustrated by trade policies which tend to maintain or even increase the disparity between the less-developed and the industrialised nations. It is high time that the latter squarely faced this issue.

The Rôle of International Aid.

The argument of this paper has been based on the premise that Co-operation in any nation or community must be promoted from within it. If it is not promoted from within, it cannot be promoted from without. If people are not willing to help themselves, they cannot in the long run be helped by their neighbours. On the international level this means that external aid is, properly speaking, ancillary to national effort and should not attempt to do for any group of co-operators what they can be fairly expected, having regard to their experience and resources, to do, and will in any case benefit from doing, for themselves. Technical assistance is not largesse. Gifts are of real value only to those who are skilled enough to use them to the best advantage.

The sources of external aid for co-operative promotion may be broadly classified as governmental and non-governmental. The former class consists of the United Nations and the Specialised Agencies; Regional Commissions such as those for the Caribbean and the South Pacific; particular inter-governmental arrangements like the Colombo Plan, and national governments acting independently, often through special committees, departments or foundations for technical assistance to the developing countries. Non-governmental sources include the International Co-operative Alliance, the International Federation of Agricultural Producers, other voluntary associations and various private foundations.

Merely to enumerate these different types of organisations suggests that there is considerable dispersion of effort and that their work would be more effective if it were better co-ordinated. The annual joint meetings of inter-governmental and non-governmental organisations mentioned on page 80 are evidence that the need for co-ordination is widely recognised. The attempt is made at these meetings, through the exchange of plans and programmes for twelve months or even longer ahead, to avoid duplication and by pointing out some generally-felt deficiency to remedy it by collaboration and division of labour. It would be over-optimistic, however, to expect co-ordination to be very close or far-reaching as yet. All the organisations are restricted by the available finance and personnel, or subject to constitutional limitations which oblige them to use certain procedures or channels and prevent them from using others.

Nevertheless, co-ordination between the international organisations may prove to be easier than the co-ordination of aid on a bilateral basis. This complex problem has recently become more complicated through the rapid establishment, notably in Africa, of a large number of independent states which have been requesting assistance simultaneously from any and every possible source. On the other side, there has been a corresponding tendency to action without international consultation on the part of governments and other agencies offering aid. The dangers and disadvantages of this kind of bilateralism, which may not always be disinterested and may aim at something ulterior to the development of the receiving country, lie beyond the scope of this paper. All that need be said is, that where in any country a coherent programme of co-operative promotion is being implemented it becomes easier to attract the right kind of external aid and to co-ordinate, within the country concerned, the different kinds of outside help available. Perhaps most of the agencies can lay claim to the negative virtue that they usually take pains to avoid overlapping and often succeed because the field is so wide.

What it is appropriate to discuss in this paper, however, is the co-ordination of technical assistance between the I.C.A. and its affiliated Organisations. This problem results from several factors. One is undoubtedly the I.C.A.'s own limitations in finance and personnel which restrict the scale and the speed of its operations. The growth of the Development Fund in nearly ten years to a total of £68,000 is not impressive beside the amounts collected by some other non-governmental organisations. Another factor is that it is on the whole easier to arouse sympathy and raise money for particular projects or well-defined groups than for general causes. People are always readier to give help when they can visualise the men, women and children who need it. There are, therefore, powerful reasons for the adoption of particular countries and schemes as objects for appeals for funds like those made at various times during the last few years by the I.C.A.'s affiliated Organisations in Sweden, Germany, Holland, Austria, Switzerland, the U.S.A. Great Britain, etc. It was fortunate that K.F.'s educational project in India could be linked at an early stage with the establishment by the I.C.A. of its Regional Office for South-East Asia, because the Office and the Education Centre at New Delhi reinforce each other and their combined impact on the region is felt far beyond the field of operation of the National Co-operative Organisations with which they work most closely. Incidentally, it was made clear by the Government of India at an early stage that it preferred, and it was so agreed, that projects proposed by National Co-operative Movements in donor countries should be submitted for its consideration by and through the I.C.A. Alternatively the I.C.A. is sometimes asked to suggest projects based on its knowledge of the needs of this or that organisation. Whichever way the question is approached, it is obvious that it is easier to choose the right or the best project if each National Movement or Organisation requiring assistance has previously drawn up a clearly articulated plan of development such as exists, for example, for Dahomey and the aid provided by the Swiss Co-operative Union, V.S.K.

Another problem of co-ordination springs from the establishment, in various parts of the world, of educational institutions which deliberately attract students from many nations and more than one continent. The Co-operative College at Loughborough in England, the Coady Institute at Antigonish in Canada, the Afro-Asian Institute at Tel-Aviv, the Co-operative Institute at Puerto Rico, the Collège Coopératif and Centre National de la Coopération Agricole in Paris, have provided, for several years past, an invaluable training through long-period courses of several months duration or even longer. To them may be added the newer foundations, the Co-operative Training Centre at the University of Wisconsin, the Asian Institute for the Development of Agricultural Co-operatives at Tokyo, and the Swedish K.F.-S.L. Seminar. Almost all of these admirable institutions would be more effective if their work were more closely linked with the Co-operative Schools and with co-operative educational work as a whole in the developing countries. The proper selection of students with the requisite qualities and ground-work for international training is still largely an unsolved problem because co-operative education on the national level, and below, is still in an early stage of development. As it expands and diversifies, however, it will serve more and more for both the preparation and the screening of candidates for the international institutes. On the other hand, the international institutes themselves can perform vitally important functions by supplying fully-trained staff for the National Co-operative Schools, especially now that UNESCO grants are available to facilitate the travel of tutors and leaders in adult education from continent to continent.

A related but different function which these Institutes may be able in time to discharge more adequately is the training of the various types of expert adviser required for co-operative promotion in the developing countries. The difficulties in the way of a fully satisfactory solution of the problems of selecting, preparing and briefing otherwise well-qualified persons for service on technical assistance missions have been discussed more than once in joint meetings between the members of the I.C.A. Technical Assistance Sub-Committee and the competent officers of the International Labour Office. As the co-operative economic activities and institutions of the developing countries increase in diversity, the greater their need, in their initial stages, of experienced guidance. Experts must, therefore, be recruited to an increasing extent from the technically-trained and experienced managing staffs of co-operative trading, manufacturing, financing and insurance undertakings. The request for help of this kind, whether it comes from ILO, FAO, I.C.A., or elsewhere, immediately raises delicate questions, even if there are capable persons available. Can they be released by their organisation? Dare they interrupt their careers and imperil their prospects of later promotion, or risk unemployment on the conclusion of their mission? Can they be given adequate training in the non-technical aspects of their mission before they enter upon it? These are only a few of the questions which arise and for which it may be impossible to find fully satisfactory answers. In the Federal German Republic the four Co-operative Apex Unions, through their Joint Committee, in collaboration with the Government initiated in 1962 a training course of economic, sociological, linguistic and co-operative studies which aims at building up a corps of experts who will hold themselves available for technical assistance missions for a period of five years. By this means it may be possible to reduce the shortage of advisers which has become acute in recent years, but it is too early yet for a full assessment of the results of this training and, therefore, to say if it can be regarded as a long-term solution.

There is still room, and need, for further experiment in training courses and methods on the part of the Institutes already mentioned, as well as for a continuous exchange of ideas and experience between them. Although they differ among themselves in social background, philosophy and outlook, they have fundamentally the same problems of educational method to solve, for example, in the content and planning of courses, the correlation of theoretical studies with practical work and observation in the field, as well as the organisation of group work of various kinds. They should all be contributing to, and drawing from, a common intellectual pool. The I.C.A. Education Centre at New Delhi which, although an institution of a different kind, has already done useful work and will no doubt do more in the future in diffusing knowledge of up-to-date educational methods and stimulating their introduction, should also be a partner in these exchanges.

Occasions occur, though they are not yet numerous, when continuity of development can best be assured by one international organisation taking over from another. For example, technical improvements in fishing, which are being promoted by FAO in several parts of the world, need for their widespread application the organisation of Co-operatives among fishermen. If boats are to be power-driven and nets or gear purchased at economical prices, fishermen must combine in Co-operative Credit and Supply Societies in order to acquire them. Or, if they are to sell their increased catches at fair prices they must join in a Marketing

Organisation which prevents their exploitation by middlemen. The work of the co-operative expert is thus the complement of the work of the technical expert whom he should in due time succeed as adviser. Looking ahead, one might expect as the promotional functions of government tend to diminish with the growing economic power and independence of Co-operative Movements, that the I.C.A. would take over an increasing number of projects initiated originally by one or other of the inter-governmental organisations.

The Immediate Future.

To conclude this paper, we may perhaps look again at the I.C.A.'s Long-Term Programme and consider it in the light of the needs of the immediate future.

So far as the exploration of the various under-developed regions is concerned, this task should be completed as soon as possible and, in any case, before the 23rd Congress of the Alliance. The constitution at Montevideo in February, 1963, of a regional confederation, the Organisation of Co-operatives of America, with its seat at Puerto Rico, offers an opportunity for the Alliance to define its ideas about possible collaboration and take an early opportunity of establishing constant liaison through a Regional Office in the same location. The formation in November, 1962, of the African Co-operative Alliance, even if it is regarded as premature in the light of the recent initiation and consequent immaturity of Co-operative Movements in many African countries, is a sign of the times and points to real needs which the I.C.A. should be able to supply. The I.C.A. should not delay to affirm its presence in Africa, not merely by sending an expert representative on tour, but also by establishing a Permanent Office in the most suitable centre. There remain the Middle East, where the I.C.A. already has members, and the Pacific where, apart from Australia, it has no members but a number of contacts and correspondents. The former region hardly needs exploration, but the organisations could be helped by a Regional Office. The latter needs, first of all, a closer liaison between the I.C.A. and its Australian member and, secondly, so far as the distant archipelagos are concerned, exploration and a development programme worked out in collaboration with the South Pacific Commission.

Coming to the second point in the Programme, intensive research, this is admittedly a field in which progress has not been satisfactory so far. To a certain extent this results from the lack of personnel due to budgetary limitations. A certain amount is being accomplished and more will be undertaken by the Regional Office and Education Centre at New Delhi. To an even greater extent, the development of systematic research must wait for the completion of the exploration programme mentioned above and the establishment of Regional Centres from which the research can be directed. It has been recognised, ever since the Conference at Kuala Lumpur, that research is indispensable in order that a closer grip can be taken of the difficulties in the way of speedier and surer progress by the principal forms of Co-operation. It is chiefly through a comparison of the problems and solutions sought or adopted by the Movements of neighbouring countries in the

same region that the most effective methods of surmounting these difficulties can be worked out. The I.C.A. has always envisaged collaboration in research with other International Organisations. These, however, are hindered, like the I.C.A. itself, by being under-staffed and under-financed for the work demanded of them. Research has had to yield priority, if only temporarily, to practical tasks of co-operative promotion.

The third point, promotion of education at all levels, has been largely dealt with in preceding sections of this paper. There is still, however, a lack of manuals and text-books suitable for training purposes in the developing countries. Many, possibly most, of these must be written by co-operative teachers in the countries themselves. Only a few works are capable of an international circulation without considerable adaptation. The rôle of the I.C.A. would seem to be in the main to finance the production of teaching manuals when the National Co-operative Unions can recruit the writers and arrange for publishing.

Collaboration with United Nations Agencies and other Agencies is involved more or less in every point of the I.C.A. Programme, but there is one specific need which can only be satisfied on an adequate scale by combined action. That is the production in sufficient quantities of co-operative films and other visual aids. The Movement's total output of films is in any case small, but the output of films suitable for teaching and propaganda in developing countries is derisory. To be effective, such films need to be produced in the country, or at least in the region, where they are to be shown. The idea of a combined project on a large scale worthy of the consideration of the United Nations' Special Fund has been mooted. What could be done, given adequate finance, by competent producers has been brilliantly demonstrated by a series of the films, produced in India by Mr. A. W. Ackland under the Colombo Plan, and described by him in the *Review of International Co-operation* for May, 1963.

The fifth point of the Programme is concerned with the promotion and expansion of Inter-Co-operative Trade and the establishment of Co-operative Banking, Insurance and Credit Institutions. Admittedly, more progress has been made so far in the fields of insurance and finance, thanks to the energy of the Re-insurance Bureau of the I.C.A. Co-operative Insurance Committee and the interest in establishing central banks displayed by some of the developing countries. In order to make progress in trade the I.C.A. is obviously obliged to appeal to the enlightened interest and enterprise of its affiliated trading organisations. What the I.C.A. can usefully do to bring co-operative importers and exporters round the same table was proved by the Conference on Tea, Coffee and Cocoa held in London in September, 1962. It is a considerable step forward when buyers and sellers can discuss together the difficulties which prevent them from doing more business. But the I.C.A. cannot do business for them. It can only wait with hope and patience while they learn to disentangle themselves from old habits, prejudices and trade connections and resolve to give preference to the co-operative market or source of supply when prices are competitive and other conditions satisfactory. No greater encouragement could be given to Co-operators engaged in building up marketing and export societies in developing countries than the assurance that, when they can attain proper standards of product and business.

competence, a Co-operative Market exists willing to give them an opportunity. The same holds good for Co-operators engaged in distribution whose main hope of circumventing monopolies and restrictive practices is to find co-operative sources of supply abroad. The acid test of International Co-operation as an economic system lies not in the ideal, but in the commercial sphere.

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The immediate aim of the present paper is practical, namely, to increase the effectiveness of the work undertaken by the I.C.A. to promote, in every developing region of the world, powerful Co-operative Movements capable of taking their economic destinies in their own hands. Of necessity much has been said about organisations, governmental and non-governmental, plans, programmes, methods and machinery, because these are the tools for the job in hand. But the efficacy of any tool depends upon the workman handling it. The tools we employ in technical assistance will produce little of permanent value unless they are wielded by Co-operators with creative imagination, fired by the fundamental principles and lofty ideals of our Movement. The work, therefore, demands the dedication to it of some of the finest minds among the rising generation of Co-operators, carefully selected and thoroughly trained for their mission. Yet even they cannot accomplish what is necessary unless they are given the whole-hearted support and understanding, not merely of the Authorities of the Alliance, but also of its affiliated Organisations, right down to the individual members of their Societies. If the right appeal is made to the members, experience has shown they will respond.

Really the term and concept of Technical Assistance are too narrow. They express only the means we employ, not the great ends we should keep in view or the spirit in which we should pursue them, the spirit of human solidarity and brotherhood which embraces all mankind. The Promotion of Co-operation is probably a better term, provided that we mean by that aid and encouragement to our fellow Co-operators in the developing countries in their efforts, first of all, to co-operate amongst themselves and, secondly, to play their part in that great orchestration of co-operative activity on a world scale which is the ultimate goal of the International Co-operative Movement.

Economic Integration and Co-operative Development

By Mr. Thorsten Odhe, Sweden.

Ever since its creation, the world embracing Co-operative Movement has worked within the framework of the whole economic, technical and social development "in a changing world."

It was against the background of these changing international conditions that my compatriot, Dr. Mauritz Bonow, the present President of the Alliance, in his paper presented to the 21st I.C.A. Congress at Lausanne, dealt in great detail with the external environment in which the Co-operative Movement has to work and solve new problems. This environment is characterised, according to Dr. Bonow, by the great expansion and growing strength of the democratic form of society, by the development of a new economic system, totalitarian state socialism and its growth in a large part of the world, and by the appearance on the international economic scene of the hitherto economically backward states, the development countries, and their growing demands for united international collaboration to bring about an improvement in their material conditions "in our time."

My principal tasks in this paper are to endeavour to describe the forms in which international economic collaboration is being carried on to bring about a more effective international division of labour and a more generous supply of goods; the prospects for the Co-operative Movement to quicken its development in various spheres of activities in the great common markets created by zonal integration, and the influence it can bring to bear on the fundamental character and forms of the zonal economic collaboration; the possibilities of co-operation between the two main regions in the world in which collaboration for economic purposes exists according to different principles.

The Changed Conditions for International Economic Collaboration.

It has often been maintained that the greatest desire of world economy is as great a volume of free trade between the sovereign states of the world as possible, also between interchanging countries or economic zones, and a consequent increase in the number of international trading contacts, measured by statistical yardsticks.

Free international trade and an increase in its volume are the **means**, not the **end**, however. The end is to achieve international division of labour of a kind that will make possible such an exploitation of natural resources and other means of production as will lead to a more rapid increase of world production. The main importance of free trade is that it removes the obstacles to a division of

labour that help to preserve an artificial disintegration of production in the world, owing to lack of the will and capacity to collaborate that is a feature of national units and supra-national economic communities at their present stage.

It is clear that a greater, statistically measurable volume of international trade need not mean an equivalent degree of efficient international division of labour. The exchange of goods between the national units and the supra-national communities depends on the numbers of units and the degree of specialisation and autarchy within them. Lack of equilibrium between specialisation and autarchy may work either in the direction of an increase or a decrease in international trade, according to which tendency – towards specialisation or towards autarchy – dominates. In complete freedom of trade in an economically co-operating world, “international” trade would disappear completely. In the opposite case, a disintegration of the world into more and more national units without collaboration of any kind would create a strong tendency towards a relative increase in the volume of goods in international trade.

Efficient international division of labour in the world is thus conditioned, in the first place, by the obstacles preventing the means for this division – the exchange of goods between countries – from functioning as well as is desired, and by what is done to remove the obstacles. Since World War I in particular, and to an even greater extent since the Second World War, profound changes have taken place in world economy, which counteract the realisation of this primary condition of international economic collaboration.

Repercussions of the World Wars.

Before the First World War, an automatically progressing development towards a more differentiated and efficient division of labour was discernible in the growing part of the world in which industrialisation had reached a high level of development, or had at least progressed a reasonable distance from the primary stages. Agricultural countries and regions dependent on industrialised areas were also involved in this development. Tariffs and other direct or indirect obstacles to trade were intended primarily to create a certain equilibrium between self-sufficiency and adaptation to international trade without preventing international economic collaboration. Equilibrium between balance of trade and balance of payments was regulated by the gold standard, which also became internationally accepted to a steadily increasing degree. The rise in the value of international trade ran parallel to the steady increase in specialisation taking place in industry, agriculture and other branches of production.

This course of development was interrupted by World War I. Wartime economy and the financial demands of the war led to an increase in the different kinds of quantitative obstacles, while tariff barriers played their part in preventing foreign trade, though relatively with less effect. Attempts made to re-establish the gold standard during the early inter-war years were doomed to failure.

The international economic crises caused partly by these attempts gave rise to a new economic policy which, it was hoped, by an economy based on rising production and improved productivity in individual countries which had formerly

belonged to the gold standard group, would overcome the crisis. The intention was to create greater scope for the satisfaction of the common collective demands and thereby increase employment and production in the separate national economies.

The measures employed were mainly autonomous currency, investment and budgetary policies to meet the needs of each country. This meant, roughly, that no attempts could be made to restore and preserve stability of currency and international currency relations. Commercial and tariff policies had to serve the same purpose. Barriers to trade became higher and stronger and more extensive, and the endeavours made to achieve freer trade by international agreements never got beyond the recommendation stage.

World War II caused still more profound dislocation of the prospects of restoring international economic collaboration, in the first place in Europe. During the years immediately before the outbreak of war, the trends towards autarchy grew in strength as a factor in the economic preparation for war. Nazist and fascist states in Europe, intensified their policies aiming at, by wars, conquest or permanent occupation, creating greater economic regions, *Grossraumwirtschaften*.

The means of production were very seriously damaged in Europe during the war. International trade was made subordinate to the demands of war, and became more and more limited. The repercussions on international trade of the improvised war economy in most belligerent countries, or countries greatly affected by the war, made difficult the restoration of trade and economic collaboration to the extent required for the reconstruction of Europe and other regions devastated by war.

Endeavours to solve these problems have been co-ordinated in regional, integrated economic communities and in more universal multilateral agreements aiming at the successive removal of barriers to trade to a far greater and more effective degree than during the early post-war years. The fundamental principles of these common efforts and the various ways for their complete realisation will be dealt with later.

The dislocation of the international economic contacts caused by the two wars has led to very great and widespread difficulties, both in the urgent, short-term problem of overcoming national and other rivalries, and for the task of extending endeavours to establish economic collaboration, of the kind suggested here, outside their present total area. This forms only one part of the problems affecting international economy.

The Expansion of the "State Socialist" Sector

The outbreak of the First World War divided Russia from the western world. With its possessions in Asia, the Russian state controlled a very large part of the natural resources of Eurasia. Industrialisation was handicapped by a corrupt government, and this natural wealth could not by far be exploited, which prevented Russia from joining in the international economic development to an extent that would have been justified by her great economic potential.

Since the Revolution of 1917 this separation has had an ideological character. A new economic system, based on the theories of Marx and Lenin, has been introduced since the Soviet Union was constituted. The state took over – with the brief interruption made for tactical reasons, and now known as the N.E.P. period – the means of production in industry, and collectivised the land and agriculture. State socialist planned economy took the place of free price-fixing as the driving force and regulating factor in industrial production.

Production in industry and agriculture is planned in programmes drawn up centrally, to be realised according to a definite time-table. This was done in the Soviet Union with the specific purpose of hastening industrialisation and the general increase in production by means of central allotment of investments in new enterprises – for a rapid general increase of the national real capital – with consequent restrictions in current consumption, varying with the programme periods. Foreign trade was included in the production plans as a complementary factor; the definite objective, however, was to attain complete self-sufficiency.

When the circle of new communist states in Eastern Europe was widened, the necessity of reconstruction after the ravages of war caused each to draw up a central programme for production, mainly on the pattern of the Soviet Union plan. Development, therefore, led to the creation of parallel economic structures, each with the rapid reconstruction of the national economy, in principle on the basis of self-sufficiency, as its immediate goal.

For a considerable time, economic interchange between the Soviet Union and the new states consisted mainly of reconstruction loans from the Soviet Union (chiefly in the form of the export of machines, production equipment and other real capital). The one-sided direction of the collaboration could not neutralise the great differences in production volume and productivity as between the various communist states in Eastern Europe.

The common organisation, Comecon, established in 1949, and which in the middle 1950's drew the lines of demarcation between its separate spheres of activities, aims at a more complete co-ordination of the planning of production in the member countries and, accordingly, the most appropriate use of natural resources and labour within the block.

The creation and continued consolidation of the state socialist sector of international economy has split the world into two halves, “ a market economy ” half with, in principle, free prices as the guiding element of production, and a “ planned economy ” half based on central planning of production and centrally fixed prices or delegated price-fixing, in reality, a screen in front of the intentional omission of the planned economy to function according to the rules of the game of supply and demand.

Total state regulation of prices with the aim of guiding production has no equivalent in countries with market economy. The main purpose of statutory price fixing, to which resort is made in these countries in times of war and crisis, has been to protect consumers from temporary exploitation in the market or to retard growing monopolistic tendencies to dominate the market.

Price fixing and similar measures in agriculture have been used less with the intention to regulate production than to influence the distribution of incomes in favour of farmers and agricultural workers who have lagged behind in this respect.

Industrialisation has been rapid from the usually low initial situation in the state socialist part of the world. It has been made possible by the great natural resources and the energy applied to raise the level of popular elementary and adult education and of general technical education. The state socialist sector, both as regards total population and natural resources, has a share in the world economy that will soon be comparable with that of the market economy sector. It is, as will be shown later, mainly aimed at self-sufficiency, and commercial and economic contacts with the market economy sector by the fundamental construction of the system have been comparatively restricted.

The "Third Sector" – Development Countries.

The third great change in world economy is the emergence of the development countries as a conscious and, in their demands and aims, unified factor in world economy.

While world economy – of the planned economy sector and the market economy sector, called here the "free" sector – has thus become divided, the economically under-developed countries in the world are urgently demanding an economic development that will give them a position and standard of living equal to those of other, more highly advanced, countries. The generally accepted definition of development countries is "countries and regions with insufficiently developed or wholly undeveloped natural resources, technically backward, with a rapidly increasing population and a consequent low, in most cases extremely low, standard of living; they lack the social and cultural amenities that are a feature of highly industrialised and socially developed countries."

This group of development countries is extremely heterogeneous. It includes, besides some under-developed areas in Europe, former colonies, now politically independent states with primitive economic systems; old nationally consolidated states with characteristic, often high-standing civilisations, but sharply defined social inequalities, so that the culture is restricted to the few people forming the "upper class," even where the system of government is formally democratic; feudal states, where the ruling classes cling to their traditional privileges; countries with a formally democratic structure, where race segregation places democratic rights out of the reach of the majority of the population.

Common to most development countries is the growing consciousness of the peoples of the decisive difference between "rich" and "poor" countries – and in most countries also the difference between "rich" and "poor" people. Political and social unrest, therefore, characterise many countries in this group.

The majority of the development countries are agricultural and are dependent on the export of agricultural and other products, e.g., textile raw materials and mineral oils, to finance their industrialisation. The low price elasticity of these exportable agricultural products and raw materials accounts, partly, for the persisting lower price-level of them in comparison with that of the industrial

products which the countries have to import. This situation has proved a great handicap, particularly to countries depending on monocultures but it also affects other development countries. Most of their export goods go to the "free" sector. Further, the inadequate organisation of their export activities, also the infiltration of foreign monopolistic enterprises into the export trade of these countries, have made their terms of trade extremely and permanently unfavourable. In this respect the development countries are still to a great extent being exploited by the "rich" countries.

The conditions for their inclusion in the world economy on the same terms as the "rich" countries are as rapid as possible an industrialisation and a rise in agricultural production and productivity to satisfy the most urgent need – the supply of food to their growing populations, which are increasing faster than those in the rich countries. In the first place, therefore, their industrialisation must serve agriculture, but the first great handicap to industrialisation is their extreme lack of capital.

These urgent needs of the development countries create an exceptional situation for this "third sector" in the world economy. It is obvious that their gradual incorporation into the world economy cannot be realised on the same pattern as for the more developed countries, by endeavours to create free trade by the successive elimination of tariffs and other means of protection for the growing industry. The technical aid and, to a smaller extent, investments organised by the United Nations, groups of countries and individual states, including countries in the "planned economy sector," is a first manifestation of economic collaboration on an international scale.

This can by no means completely satisfy the enormous and urgent need of assistance in the development countries. It must be complemented by an elimination of trade barriers, which must first, and for a long time to come, be one-sided: the removal of tariffs and other obstacles to exports from the development countries, also other restrictions, consumption taxes imposed on goods from the development countries in international trade, and, in the industrialised countries, the subsidised production of substitutes for the natural exports from the development countries. One example is the continued production of beet sugar in countries of both the free sector and the planned economy sector at the expense of other branches of production.

The need for a world-wide mitigation, and ultimate abolition, of these direct and indirect hindrances to the export trade of these countries – among the main causes for their strikingly unfavourable terms of trade – was in the limelight already in the inter-war period. The World Economic Conference at Geneva, 1927, and in London, 1933, included in their recommendations the abolition of tariffs and other hindrances to imports of foods and raw materials competing with similar products, or substitutes, produced in the importing countries.

The World Conference on Trade and Employment in Havana, 1947-48, also included in the Statutes of the World Trade Organisation to be set up provisions for inter-governmental commodity agreements with a view, under the joint

control of producers and consumers, to stabilising prices on the foods and raw material markets at price-levels sufficiently high to provide a reasonable subsistence level for the producers. These Statutes, as is well known, were not wholly implemented. On the road to complete freedom of international trade and economic world solidarity such agreements should be a valuable instrument for promoting the economic emancipation of the development countries without seriously detrimental effects on the consumers' interest, considering their, generally, more prosperous situation in most import countries.

Freer Exchange of Goods Between Countries, and more Permanent Economic Co-operation by Zonal Integration – Europe.

Probably the earliest attempt to create an integrated economic zone in Europe was in 1818, when the first steps were taken towards the commercial union of the German states; the German customs union, *Zollverein*, then completed the economic union of Germany before political unity was achieved after the Franco-German war 1870-71. A number of other tariff unions, though smaller in extent, saw light in the Europe of the nineteenth century.

The creation of the United States of America and the early victory of federalism led to the development of what has been, right up to recent times, the greatest example of economic integration in the world.

The imperial preference policy pursued by the British Commonwealth is an expression of the same endeavours in countries in different continents.

During the inter-war period, suggestions were made for the integration of Europe as a remedy for the effects of the world-wide economic depression on Europe. The Council of Europe was formed in 1949. Marshall Aid from the United States had been started even earlier. This help was offered to all countries in both West and East, but when the latter declined it the split in Europe between the free economy and the planned economy states came fully into the limelight, and this strengthened the idea of economic collaboration in west Europe.

The way from the Organisation for European Economic Co-operation (OEEC) to the establishment of the European Economic Community (EEC), which took only eight years after the constitution of the Council of Europe, and the less comprehensive parallel organisation, the European Free Trade Association (EFTA), two years later, is well known and need not be recapitulated here.

The objective, accepted by the great majority of the states belonging to the organisation, is European unity, which it has not yet been possible to realise. The different commercial policies, world political liaisons and attitudes of the various countries, which are the main reasons why different ways have been chosen, need not be insurmountable difficulties to co-operation between the two European zones, whose fundamental aims and methods coincide so closely.

At the time of writing – immediately after the failure of the efforts to achieve greater unity in western Europe by individual EFTA states joining the EEC – new endeavours are already being made on both sides to bring about collaboration between the two zones.

Without going into details of the type and extent of this collaboration, which is still in the future, a survey of the general lines of European economic co-operation up to now may serve as a basis on which to assess the prospects of continued collaboration.

Co-operation had progressed a long way before the EEC and EFTA were established. The “liberalisation” of trade between countries within the framework of the OEEC – abolition of quantitative restrictions – was practically finished. Work on the stabilisation of currencies by the independent European Payments Union had proceeded so far that mutual convertibility was on the verge of being fully realised.

Detail investigations have been made of the natural resources and potential power supply of Western Europe, and of the structure of industry, to serve as a starting point in the rational division of labour. The prospects of an all-embracing European collaboration, created by the results of the investigations, are still of great importance for the accomplishment of European unity when the present obstacles have been overcome, or perhaps have crumbled.

In their present form and extent, both the EEC and EFTA are zonal integrations in character, though at different levels of development. Since the populations of the six member countries and Greece, the only country associated hitherto, are together almost as great as the population of the United States – 178 million, and 179 million, respectively – the EEC market is almost as big as that of the U.S.A. If the populations of the community regions outside Europe – included in the gradual abolition of tariffs, but allowed to retain their present or to introduce new import tariffs so far as they are necessary for their economic development and industrialisation – are also counted, the total population of total EEC territory exceeds that of the United States. The populations of the seven EFTA states and Finland, which is associated, amount to 95 million people. The countries included in Comecon – the Soviet Union, Poland, Roumania, Bulgaria, Hungary and East Germany – have a total population of 290 million. The People’s Republic of China, which is outside Comecon, but collaborates with it to a certain extent, has a population estimated at 670 million.

The principles of the two zonal integrations in the “free” sector in Europe are partly the same. The abolition of internal tariffs in the EEC should be completed, according to the Treaty of Rome, within 12 to 15 years from 1957 by linear reductions expressed in percentages of the initial imposts, but has been hastened so that half the way has already been passed. Tariff reductions cover the whole industrial area, with modifications for certain branches of industry, while the integration of agriculture will be achieved by comprehensive marketing regulations covering the whole area.

The EFTA plan for the abolition of internal tariffs was designed on the pattern of the EEC plan. The linear tariff reductions were to be completed by 1970 at the latest, but development has been speeded up to keep pace with the EEC, and is now two years ahead of the original schedule.*

Integration in the EFTA, on the other hand, does not include agriculture. There are EFTA countries, otherwise industrialised, for which the export of agricultural produce plays an important, in some cases, a dominant rôle. The unwillingness of other EFTA countries to grant preferential treatment to imports from countries exporting agricultural produce led to the decision on this question.

Regulations regarding legislation against restrictions on competition which may handicap the exchange of goods between the member countries by monopolistic enterprises and combinations of enterprises, also regarding the final abolition of quantitative restrictions on mutual trade are, in principle, common to all.

On the other hand, the EEC has established a far more fundamental integration than has the EFTA zone. It is much more than a customs union. The Treaty of Rome contains stipulations relating to freedom for current payments and the free circulation of capital and labour within the Community; to a European Investments Bank; to the uniformity of corporation laws and mutual rights of free entry into business, and other economic legislation, including legislation pertaining to foodstuffs; to mutual rights to acquire real estate and other means of production on the same terms as the inhabitants of the countries; to the realisation of a progressive social policy for the members of the Community; to the abolition of consumption excises and taxes that handicap trade between the members; to uniformity of purchase tax in the member states; to common rules for transportation within the zone and for transit traffic; also other regulations aimed at consolidating the integration.

The supra-national authority, vested in a Parliamentary Assembly, a Council of Ministers, an Executive Commission and a Supreme Court to settle conflicts that may arise, is an efficient instrument of integration. The agreement, codified in the Treaty of Rome, is non-terminable.

The commercial policy with reference to outside countries ("third" countries) must be pursued in common.

The EEC Treaty, in the whole of its design, is very reminiscent of the federal economic legislation of the United States, and of its impact on the federal states.

* Since this was written the EFTA states at the Conference in Lisbon in May decided to speed up the reduction of the internal tariffs at a pace to effect their total abolition at the beginning of 1967. This date coincides exactly with the hastened scheme of internal tariff reduction of the EEC. The decision in theory envisages a closer collaboration between, or even merger of, the two integrated European zones in a near future.

Zonal Integration in Other Continents.

Endeavours to establish zonal integration have been made in other parts of the world.

As long ago as 1889 the Organisation of American States was founded, having as one of its main objectives economic integration of the whole continent. A proposal was made early to form a customs union between the Latin American states and the United States, but had no realistic background. After World War II the idea was actively supported by the United Nations Regional Commission, the Economic Commission for Latin America (ECLA), and has since been realised.

The Latin American states may be characterised as development countries, or countries which have reached a higher level of development in relatively recent times and need urgently to accelerate their industrialisation, which implies that they must protect their industries.

They are still mainly agricultural countries with a corresponding dependency on the export of their agricultural produce. Their markets in the "free" sector have diminished, however, since the production of their principal export goods has increased in other parts of the world, with a corresponding growth of export from these areas. Between 1929 and 1958, the total export from Latin America had fallen from 11 to 8 per cent of the total world export.

Export is concentrated upon a few articles – most of them sensitive to conjunctural price fluctuations – for which they still represent a high percentage of total world export: coffee, 80 per cent; sugar, 75 per cent; bananas, 68 per cent; frozen meat, 67 per cent.

Since the establishment of the EEC, the Latin American states have been much disturbed by the preferential treatment granted by the Treaty of Rome to the extra-European regions attached to the EEC countries. By the construction of the external customs barriers of the EEC, imposts on the key products of Latin America were raised. In some of the greatest coffee consumption areas, import duties in 1961 were increased from zero to 16 per cent; Germany raised the import tariff on bananas from zero to 20 per cent and on sugar from 37 to 80 per cent. To these must be added the special consumption taxes on these and other articles, e.g., cocoa, in most western European countries.

Thus one of the main objectives of the integration zones that have been formed is to safeguard the export interests of Latin America. The first of these was the Central American common market, established in 1958 as a free trade zone, and given its present status in 1960. It includes a number of the smaller Central American states with a total population of 20 million, and besides protecting their export interests, has the task of hastening the still insignificant industrialisation of the region.

Of far greater importance is the Latin American Free Trade Association, LAFTA, created on the initiative of the most highly-developed "ABC" states (Argentina, Brazil and Chile) by the Treaty of Montevideo in 1960. The Treaty stipulates a mutual abolition of customs duties during a period of twelve

years, co-ordination of credits and circulation of capital, and the establishment of a multi-lateral system of payments patterned on the EPU. The free trade zone, with a more profound integration than that of the EFTA, now comprises most of the South American states and Mexico, and has a total population of almost 160 million.

Its tasks, side by side with a commercial political union – though without supra-national government – are to develop the rich natural resources by means of a growing industry and modernised agricultural methods, and thereby to extend the interzonal trade, which now represents only a few per cent of total foreign trade.

A large number of zonal integrations have been or are being created in Africa in different, partly overlapping, combinations. The attempts are made difficult by the preferential treatment of exports from the colonial areas and new independent states attached to the EEC in the capacity of “foreign trade areas” and the economic interests this implies; in certain colonies and protectorates by ties with European countries outside the EEC – Great Britain and Portugal – and by the still very uncertain political development in large parts of the continent of Africa.

Skeleton organisations, at least, have been formed in the Middle East for economic integration in conjunction with pan-Arab political aspirations and for other reasons. Similar efforts are being made in South-East Asia.

To appreciate the strivings in Europe and other continents for zonal integration it should be fully understood that economic communities and free trade zones should be only **transitory steps towards the full freedom of international trade and the accomplishment of full international economic solidarity**. If they should become permanent they would have very much the effects of large protectionist blocks aiming at economic autarchy within the blocks, thus barring the road to the ultimate goal – the most rational division of labour at a truly international level.

As already mentioned in connection with zonal development in Europe, the next step contemplated is the gradual reduction of the outer tariff walls by mutual concessions. There seem to be hopes that this step should include also the integrated market of the United States of America where a useful implement has been put into the hands of the President by the authority given to him to effect far-going tariff reductions at his own discretion on the basis of reciprocity.

To a not too optimistic mind prospects are looming that it should not take a considerably longer time to make a good start on the way of successive tariff reductions and abolition of other obstacles to trade interchange at a wider international level than it has taken to build up the present integrated zones, in Europe and elsewhere.

The Effects of Zonal Integration: Great Markets.

For a long time, fundamental and comprehensive changes in many important respects have been taking place in the many countries in the “free” sector of world economy. In countries with a highly developed democratic structure, an economic policy of a new type is being applied within the framework of market

economy. Its objective is a national welfare economy, which implies a considerable degree of state supervision, with a view to ensuring a high and constant degree of employment; a more equitable distribution of incomes; social reforms of a far-reaching character; other measures to ensure economic security; and, as a foundation for social progress, increasing productivity with consequent corrections of monopolism.

By concentrations in industry, also partly in other branches of production, the number of independent enterprises being steadily reduced by mergers and amalgamations has declined continuously and now includes a much smaller proportion of the population than formerly. Wage-earners have become by far the greater section of the population in all social groups, and they are, so to say, blazing the trail to what might be called a dominant, wage-earner economy. The efforts in this direction are due mainly to the trade union movement, which is one of the strongest politically influential forces in some countries, and also influences the formation of opinions in various political parties, both workers' parties and others. Even in countries where monopolistic powers attempt to influence decisively the parliamentary system in various back-stairs ways, labour interests are becoming stronger and are offering an increasingly effective counterbalance.

The monopolistic resistance to the social market economy is very vigorous, however, and its strength should not be underestimated. The present concentration within all branches of production and distribution, conditioned by the great technical progress, creates many advantages for monopolistic dominance in the great markets brought into existence by the zonal integrations.

Every integration of the markets of several countries into a "great market," i.e., a market larger than each of the individual national markets, is naturally bound to have wide repercussions on competition in the market. The fact that a larger number of enterprises in production and distribution within a "great market" can direct their efforts towards a larger geographical demand area should, theoretically, have the effect of causing the enterprises on the supply side – both large and small – to compete more keenly to the advantage of the consumers. Such effects might also be expected from the looser form of integration represented by free trade areas, and still more within the framework of a customs union and more complete economic collaboration.

The Monopolistic Risks of Enterprise Integration.

During the relatively short time that the most intimately united integration zone in Europe, the EEC, has functioned, it has proved that this ideal picture of the effects of free competition in a wider market may be sullied, and from two directions. The supra-national integration in the sphere of commercially or politically united, and other stages and kinds of, economic communities within the integration zones has, naturally, been accompanied, on the one hand, by a growing tendency towards enterprise integration and financial concentration in the area. On the other hand, the associated great market, protected by a common customs barrier, has begun to attract capital from third countries on a large scale. The

capital transfers are, to a large extent, being made with a view to establishing affiliated enterprises inside the EEC. From both directions big business enterprises representing tendencies to establish or reinforce monopoly dominance have been the outstanding factors in this development. Generally speaking, the integration of enterprises in the EEC and other integration zones is prompted by the fact that the greater market, with its prospects of larger sales, makes possible a more extensive employment of modern, technically highly developed **mass-production** with consequent lower costs. This refers to the "frame" enterprises, or combines, as well as to individual units of production and commerce.

In principle, modern technology can be exploited also in small national markets, in favourable cases, to a strikingly high degree. Mass production in smaller countries on the basis of up-to-date techniques and overall high productivity presupposes, however, that they can sell in a wider market than the national one. Within an integrated zone industrial mass production need not necessarily be located in the larger countries.

The cost reducing effect may be achieved by the integration of production and distribution stages within the same enterprise – where it is possible and expedient – from the production of the raw materials to retail trade and other direct sales to the buyer-consumers. This vertical concentration may be accomplished by a single business and according to the modern system of sub-contractors.*

"Horizontal" integration, the combination of firms in the same branch of production and commerce united in larger and larger enterprises, or the collaboration of independent firms in the same line of business in trade associations and cartels for specialisation and other rationalisation measures, which is claimed to be their purpose, leads to the same results.

"Conglomerate" combines – effected by piling up enterprises in separate, incoherent lines of business – directed by powerful centres of finance, have the dangerous effect of forming effective points of attack, in particular, on new entries into business. Strong financial concentration, allied with "big business," performs a valuable service to these interests by withholding the investment capital needed to get competitive new enterprise started in the lines they want to dominate.

Ultimately it is the desire to improve the profitability of enterprises or, expressed more simply, the natural impulse of private enterprises, in accordance with the aims of their business to get the best possible returns on the capital invested, that is behind both the vertical and, more especially, the horizontal concentrations. Thus all forms of business integration include an active monopolistic element.

The prospects of attaining a completely monopolistic position vary, they are naturally particularly favourable in "horizontal" integration, but best of all in a combination of "horizontal" and "vertical" integration. There are combinations of big firms working together in trusts and cartels in Europe, where, even before

* The sub-contractor system is most highly developed in the United States, the earliest great consolidated industrial market. Data referring to the largest combines contain lists of tens of thousands of sub-contractors for each combine.

zonal economic integration was started, they reached a very high level of monopolistic dominance – in the markets of their own and other countries – and are now preparing to increase their power with the help of the opportunities offered by the common market.

Zonal economic integration, in principle and practice, opens the way to very great savings in production costs and a correspondingly larger uniform area of distribution, where marketing can be carried on without the friction and trouble formerly caused by customs duties and quantitative restrictions at national boundaries, and by legislation governing marketing conditions generally. The irremissible precondition is, however, that monopoly dominance should be held in check.

The attraction of capital investments and the establishment of subsidiaries in integrated supra-national great markets for private enterprise in a third country, has its roots in the same motives as has the integration of enterprises within these markets. International combines and cartels have always preferred to concentrate their expansion either in large countries or countries effectively protected by customs barriers regardless of size, or, most preferably, countries in which risks are smallest. The purpose of a freer international circulation of capital, to serve a better international division of labour, therefore runs the risk of becoming more or less distorted.

When the European great market, best manifested in the EEC, was established, these monopolistic risks were borne in mind. The market economy of the democratic countries also having as one of its main objectives social progress and welfare, could not but set its mark on the general aims of the Treaty of Rome. The preamble to the Treaty lays down that the contracting powers have decided to ensure common economic and social progress, and consider a continued improvement in the standard of living and the employment of the people as a common goal.

Special legislation, aiming to restrict the power of monopolies in the economic life and to prevent them hampering economic progress, has been introduced in all the member states. In this connection it was expressly stated to what a great extent monopolies directly counteract full employment and retard a rise in the standard of living. The Treaty of Rome, however, did not consider that national legislation preventing the restriction of competition was adequate or could be applied with reference to the effects of monopolies and cartels, national or spread over the whole region, on what, in the first place, was to be promoted and accomplished, namely unhampered trade interchange within the Community.

The EEC regulations, therefore, were given a nucleus of clauses to control all the restrictions of competition that might arise to take advantage of the size of the common market and the common external customs' barrier. Without going into details of the structure of these control clauses (see Articles 85–90 of the Treaty of Rome and the rules for their application in the "European Cartel Regulations" of 1962) and how they can be effectively applied, it must be fully understood that they were intended to be taken seriously, and that they occupy a central position in the Statutes of the Common Market.

Nor should it be forgotten that the long-term purpose of the common external tariff is to create a starting-point for mutual reductions of import duties between the Euromarket and other zonal organisations for economic integration and

individual countries. It was hoped in this way to ensure a degree of international competition great enough to dominate international monopolistic trends in the "free" sector of world economy.

"Competition rules," implying control of the restrictions of competition, have also been formulated for the European Free Trade Association and included in the regulations. Unlike the EEC, the EFTA is not supra-national, and competition rules in the regulations lack the authority vested in the EEC by the permanent supervisory body, which forms both the "court" and the executive authority. While the competition rules in the EEC are in the nature of laws, which may be enforced in face of the opposition of member states, and which presume that the contracting powers bring their internal anti-monopoly legislation in line with that of the EEC regulations so effectively that it does not restrict or impair the trade of the Community, the rules of the EFTA leave to the member states the task of applying the general regulations as regards legislation and jurisdiction.

The aim of the competition rules in both groups is to lead the integration of enterprises in the European market in the direction of rationalisation of production and trade to reduce costs, and an adaptation of prices and services to benefit the buyers and consumers. The transfer of international capital to the integration zones will, by the competition rules, be used for other purposes than the one that seems to be mainly favoured at present, viz., the exploitation of the protection for investments provided by the temporary external customs barriers, favoured further by the extent of the market protected by these tariffs.

The Countervailing Powers.

Legislation in the integration zone, with the purpose of ensuring a high, if possible a total, degree of free competition, has to be based on the undeniable fact that no law can, by coercion, compel enterprises that have found the easier ways of obtaining great returns on capital investments by restricting competition to change their ways of business and re-enter competition.

The most legislation can do in a single country, or in an integration zone, to support the principle of, and encourage, free competition is always to be on guard not to **restrict** it. Restriction may be caused by lack of correlation with other branches of legislation, e.g., corporation laws and laws regulating new entries into business, laws governing the import and export of capital, patents legislation, laws regulating banking and credits, even prescriptions for civil orders governing retail trade.

Economic policies pursued by a state which does not take into account the common interests of society may lead to the same result.

The legal and technical difficulties of drawing up legislation to cover all the essential ways of restricting competition are obvious. Great spheres of monopolistic influence on prices are beyond the scope of the schematic classification of the misuses of monopoly power on which anti-monopoly legislation is based and which is the foundation of the legal application of the legislation.

Even where legislation is as embracing and efficient as possible, and the goals of the economic policy for the harmonising of the common interests of society are realised, there is still a need for competitive powers willing to make efforts to counteract the monopolistic integration of enterprises. J. K. Galbraith, the American economist, has formulated the theory that "countervailing powers" are not only needed but are already in effective action to maintain a reasonable degree of free competition necessary for economic progress, in fact this theory merits the modification that it can be demonstrated in practice to be applicable only in countries and zones where freedom prevails for the forms of competing enterprises not based on private profit, "non-profit" enterprises. Chief among these are the Consumers' Co-operatives and numerous other forms of Co-operative Organisations for practical economic activities, and, side by side with them, other collective forms of enterprise, including state and municipal undertakings that fulfil important functions in the market economy and are not monopolies in themselves in their respective fields of activity as public utilities.

The monopolistic manifestations of the increasing integration of undertakings in the private sector cannot, however, be counter-balanced by the "countervailing power" of Co-operative Movements retaining the structure and methods that characterised different co-operative enterprise in its emergence and first development stages in a radically economic atmosphere. Where this is the case **the Co-operative Movement must adapt itself to the general tendency towards integration of enterprises** which, as long as it is proceeding mainly in the profit-making sector of the economy, makes these enterprises strain all their efforts to force co-operation out of its "magnetic field," the members' market, both inside and outside the common markets.

"Competition" tends, to an increasing extent, to become less active within the generally accepted framework of free competition, but rather a struggle between those who wish to weaken and restrict the possibilities of free competition, on the one hand, and, on the other, those who strive to defend, maintain and extend competition.

The integration of enterprises in the private sector has a temporary but considerable advantage owing to the fact that, thanks to centralised planning and right of decision, steps can be taken more quickly when plans for further expansion are to be realised.

There are also other circumstances that favour the expansion of big monopolistic combinations within the integrated zones. They can enlist in their service, competent, ambitious business experts – regardless of costs – lawyers specialised in legislation affecting restrictive practices, always ready to turn the law to their masters' advantage, and use all kinds of "disguised" monopolistic methods – for example, advertising and publicity directed to lead consumer-buyers astray in the increasingly larger forest of branded articles. They can appeal to "loyalty in business" but, when needed, avail themselves of cut-throat prices to keep emerging competitors out of the market.

Also in the spheres of production and trade, in which obvious monopolistic efforts to gain power have not yet appeared, and where concentration of private enterprise has mainly the character of enforced rationalisation in the struggle

for advantages in the great markets, the Co-operative Movement cannot disown its social character and goals by neglecting the opportunities for continued expansion and greater influence on the economic development in the interest of society and the economically weak sectors of the population.

Its task of preventing monopolistic tendencies to increase in extent and strength by integration of undertakings in the private sector as a whole makes it the duty of the co-operatively organised economy to gain a footing in all the important branches of economic activity that affect the immediate needs of consumers and small producers, their interests in maintaining and increasing their incomes, and in maintaining and improving their standards of living.

The Co-operative Movement has urgent problems to solve and difficulties to overcome, which must be studied from the angle of the great markets.

The Changed Position of Co-operation in General Economic Development.

The position of the Co-operative Movement in modern economic development has changed considerably since its creation and the early years of its history. The Consumers' Co-operative Movement, when a pioneering movement in industrial countries, saw as its task the provision, by its unity and ideological principles, of as great a degree of self-sufficiency as possible in the supply of the most necessary goods, mainly foodstuffs. Since it functioned to an increasing extent as a large economic unit in relation to the mainly small units in private trade, it could gain greater economic advantages in its practical economic activities.

These advantages were the cause of the rapid expansion of co-operation in many countries. It was, and still is, bound to the market economy in the "free" sector of the world. With the growing, now dominant, trend towards larger economic units, and the simultaneous rise in the standard of living in the countries where Consumers' Co-operation first became established, these ties with market economy have become still more obvious.

Needs have expanded and become differentiated to an extent that the first generation of co-operators could never have imagined. Many of the members of Co-operative Societies, in order to supply a growing proportion of their demands, have been enticed – or compelled when Consumer Co-operatives have been unable to keep pace with private enterprise – to turn to the private trade sector to satisfy their new needs. Even with regard to foodstuffs and other necessities, by the sale of which the Consumers' Movement began, the private enterprise sector has made encroachments by such methods as, mass suggestion in advertising, very effective open or masked publicity, and attractive – actual or imaginary – services.

The disintegration of the purchasing power of the co-operative members caused by the competition, by fair and unfair means, of private, mostly large-scale, distributive trade, and the neglect or delay of consumers' co-operative trade to provide for the increasingly diversified needs of the members, are beginning to have their repercussions on co-operative solidarity in the concrete sense of the word. A clear **disintegration** of co-operative solidarity round the distribution of goods is becoming more marked in several countries.

The Co-operative Movement has naturally had access to the same primary means – though severely restricted in their use owing to its ideological principles – of preventing the dissolution of co-operative unity. It has, for obvious reasons, adapted itself in its trade to the methods applied in the private sector. From being a mainly closed necessity economic organisation it has advanced a long way along the road towards becoming an important – though independent – factor in market competition.

In countries where the demands for increased enterprise integration have been realised clearly in the modern economic development, steps have already been taken to create effective integration by expanding own production, and endeavours to carry out a vertical sales integration by more intimate and efficient collaboration between the Central Co-operative Organisations, Wholesale Societies, and the local Co-operative Societies.

Growing co-operative production has been faced with demands of large-scale industry on optimal production units, usually large ones. Thus factories and plants have had to be started on a larger scale than necessary to supply the co-operative market inside the country, thereby stressing further the relations with competition in the market.

Continual attention to **costs** has proved to be of growing importance in the practical economic activities of the Consumers' Co-operative Movement. Competition in the market has, from the view point of Consumers' Co-operation, stressed the necessity of **costs competition**. In countries where insight into this problem and the need for a modification of organisational and practical methods has been gained only slowly, there are great risks that the consumers' co-operative sector will lag behind in market competition, which is steadily becoming much keener in the great common markets.

On the whole, the same compulsion is felt in the Marketing Co-operatives in agriculture and elsewhere. There has been a general endeavour to meet it by deliberate improvements in quality, and by standardisation in order to satisfy the greater and more differentiated demands of the market. The pioneer countries in the realm of Agricultural Co-operation have made great progress towards integration by centralisation at both the production (collecting and processing) stage and the marketing stage. The general impression in the European countries where both types of co-operation are to be found is that co-operative marketing has progressed much farther in this respect than consumers' co-operation.

Co-operation and the Great Markets – Structural Reforms.

In order to preserve, in the keener market competition, the vitality and the possibility of functioning as a "countervailing power" against the monopolistic tendencies of private enterprise in the world, both from the social and economic aspects, attention must be paid to the following problems:

1. To achieve such reforms in structure as will make possible further rationalisation on the costs side, thereby maintaining and increasing the competitive power of co-operation in the markets of the individual countries inside and outside the great markets, and making the Movement as a whole more efficient;

2. To bring about practical economic collaboration between the Co-operative Movements in the respective great markets and between them and outside countries;

3. To organise this collaboration so that it can serve co-operative and economic development in the development countries in the most effective way;

4. To realise these reforms and new organisational tasks so that the character of the co-operative undertakings as self-governing, democratic organisations is preserved and strengthened, and the Movement's fundamental social goal is kept intact.

The **structural reforms** intended to accelerate technical and organisational rationalisation of economic activities in the National Movements must, of course, be made and perfected in the Consumer Co-operative Movements of the individual countries. The international collaboration that may take place is restricted to the exchange of experience and, where possible, an exchange of patterns of organisation. This limited collaboration may be of the greatest value and help in the rapid solution of this problem, in spite of the fact that the economic and social conditions of the various countries may differ widely.

The dominant tendency in most European Co-operative Movements is in the direction of more rapid integration, although in different ways. In the most highly industrialised countries with a population structure of the urban type, there have long been "large societies" with many members and consequent local or regional integration. But there are a number of small, even very small, local Societies that cling to their traditional independence, which prevents their amalgamation with larger units, and also makes it difficult for them to become integrated in more intimate and efficient collaboration with the central, "business," organisations.

In many countries, the Scandinavian for instance, the task of realising "horizontal-vertical" integration has been attacked vigorously: on one hand an amalgamation of local societies into larger, optimal-sized societies, and, on the other, nation-wide collaboration within the framework of the central organisation and with its economic and organisational apparatus as starting point and base. It has been possible, in this way, to extend the business activities to other branches of distribution, besides those traditionally concerned with foodstuffs and other essential wares – department stores with practically the same assortment of foods as modern, private department stores and big supermarkets – and more active support has been given to the industrial production of the Consumers' Co-operative Movement.

One thing must always be borne in mind, and that is the very great differentiated demands now made by the younger generation. For an older generation, brought up in poorer circumstances, it may seem a breach of the social principles of co-operation when the Movement extends its activities to "luxury" or at least inessential goods. When the Movement has its roots in one particular social class, mainly the working class, the elimination of social distinctions now proceeding is often overlooked, but this elimination has caused an increased recruitment of members from other strata of the population than industrial workers and other wage-earners.

There is now an extremely far-reaching differentiation of needs, something quite unknown to an older generation. Twenty years ago, for instance, a private car identified its owner as a member of the "upper" or "middle class," while the average motorist of today in some western European countries, if an investigation were made, would probably be found to belong to the working class or equivalent strata of the population. The rising standard of living is rapidly bringing western European countries into the category "affluent societies," and consumer co-operation must take this into consideration in areas where it has preserved its traditional isolation.

The difficulties that will be met with in the realisation of national structural reforms to break down this isolation, and to work effectively within the framework of modern differentiated demands, are in two fundamentally different spheres.

The large private trading enterprises, against which co-operation must struggle in market competition, have tactical advantages in their character of profit-making undertakings under centralised leadership. In countries with a mainly urban population they can aim at establishing large retail units in urban centres – often with greater possibilities of reducing costs than the Co-operative Societies – of adapting prices to costs, and "to skim the cream" of the purchasing power of the urban population in all strata of society. The growing marginal profit can then be employed for continued expansion mainly in the urban areas. This is already the most prominent feature of these great enterprises.

The consumer co-operative form of enterprise, on the other hand, in accordance with its fundamental social character, must provide as diversified a supply of goods as possible in both densely and sparsely populated areas, also for different levels of purchasing power. It cannot, therefore, as a rule, establish quite such retail units with the same costs-reducing effect on the local level as those of private enterprises. Large and small shops of varying costs structure may be assumed in future to exist side by side.

There are great difficulties to be overcome on the way to differentiated price-fixing, corresponding to the differences in costs for the different co-operative retail units – as long as costs cannot be levelled off by the amalgamation of large and small Societies into large local or regional units working in both densely and sparsely populated areas.

As already mentioned, private distributive trade has a further advantage in that a rational vertical integration can be more rapidly effected in all stages of trade, and in some cases in production. It may be assumed that this advantage will become much greater in the great markets.

To bring about both a horizontal and a vertical integration in the National Co-operative Movements requires a **more centralised planning and a more rapid realisation of decisions**. Here the second important difficulty must be considered. There is, in rather wide circles of the members of Co-operative Societies that uphold the ideological conviction of co-operation, particularly in the small Societies, a marked mistrust of all forms of centralisation. The traditional view is held that fundamental democratic self-government is intimately

connected with the independence of the local Societies and the right of self-determination in the economic activities on the local plane without "interference" from the central organisation, although they themselves have created and developed the central organisation.

The mistrust of centralisation is often connected with a more or less openly expressed fear that the delegation of executive power to the "officials" – who themselves are usually full members of the Movement – which has become necessary in modern, highly developed and complicated commodity distribution, and which, in case of centralisation, may become further accentuated, may lead to bureaucratism. In addition to a small, but active group of members supporting the traditional ideology, there are great numbers of passive members who may easily be persuaded to share these views.

The opposition to both horizontal and vertical integration, which may be a consequence of this mistrust, is probably the smaller of the two difficulties. In the long run, those members who are conscious of responsibility to their own enterprises cannot remain blind to the fact that a similar distribution of decisive administrative and executive power and authority in the modern democratic state and municipality, based on salaried servants, is the fundamental method of organisation in a political democracy.

In so far as this opposition to integration exists on both the levels mentioned – of different intensity in different countries – it may be overcome by ideological and practical methodical information. This may also counteract the disintegration of the circle of members as buyers which, as mentioned, has been caused by the reticence of the Co-operative Movement to take part in the competition in the greater market. In the countries where integration has progressed farthest, adequate forms of parliamentary control are to be, or have been, drawn up. These give the members at least as much influence as in the early days of the Consumers' Co-operative Movement – perhaps even more, although at a modernised organisational level.

What has been said about the Consumers' Movement is true in all essentials about other types of co-operative enterprise. Producers' Co-operatives, in agriculture and other branches of the economy, have, as mentioned, often found it easier to bring about structural reforms that favour integration. Producer interests have usually proved to have more driving force than consumer interests. In all forms of agricultural co-operation – buying, marketing and credit – where the nucleus consists of small farmers relying mainly on the fruits of their own labour for their material conditions, a more direct community of interests, as in modern trade unions, has counteracted the disintegration caused in consumers' co-operation by unwillingness to take part in competition in the market. In many cases agricultural co-operation, by far-reaching integration, horizontal and vertical, has attained such a position that it now dominates the national market in important branches of produce.

As a whole agricultural co-operation plays a most important part in shaping the new market structure at the national and international level. In the Scandinavian countries the highly developed centralised Agricultural Marketing Organisations by eliminating middlemen give Consumers' Co-operative Organisations all

facilities to establish direct, cost-saving contacts, on an equal footing with private distributors, which was formerly not the case. In their own stages of distribution – mostly wholesaling – Agricultural Marketing Organisations are constantly reducing their costs and leaving Consumers' Co-operatives to follow up at the retail stage.

At international level, for example, the big North American Marketing Organisations – for fruit, vegetables, grain, tobacco – likewise create wide facilities for direct contacts with National Consumers' Co-operative Wholesales, some of them with gigantic purchasing power, like the British Co-operative Wholesales, C.W.S. and S.C.W.S. together the largest consumers' co-operative buyers in the world, or with joint consumers' co-operative purchasing agencies, like the Scandinavian Co-operative Wholesale Society. Middlemen are thus being constantly eliminated and the capacity of consumers' co-operation to act as a price regulating force in the national markets steadily increased.

Practical Economic Co-operative Collaboration “Across Boundaries” Development Hitherto.

Integration within the private, “capitalist,” sector of the great markets stresses as strongly as possible the need for the augmentation of co-operative integration in the separate countries inside and outside the great markets, and its strengthening by integration over national boundaries.

The promotion of practical economic international co-operative collaboration within and between the different types of co-operative has been one of the tasks of the I.C.A. since its foundation. It was discussed at the first I.C.A. Congress in 1895, but no attempts were made to apply it practically, nor could such attempts be made in undeveloped and disunited Co-operative Movements. The problem was discussed at many later Congresses, and resulted in a number of resolutions and general recommendations of wider and better organised business contacts between the Consumers' Wholesale Societies, and the establishment of jointly owned and operated productive enterprises. Some resolutions both during the period 1900–14 and later, drew attention to the importance of closer business contacts between the Consumers' and Producers' Movements (Agricultural Marketing Societies, Workers' Co-operative Productive Societies) on national and international levels.

The idea was taken up on more practical lines after World War I, particularly after the Scandinavian Wholesale Societies had formed the common buying society, *Nordisk Andelsforbund* (Scandinavian Co-operative Wholesale Society). In earlier discussions, the difficulties due to existing customs barriers and other obstacles to inter-co-operative trade had been exaggerated, as had the threats by great international trusts and cartels to co-operative production.

Customs barriers remained and were strengthened after World War I, and integration in the private enterprise sector in the form of cartel agreements and the growth of trusts increased perhaps even more rapidly, and affected more goods and branches of trade than before the war. Successful defence actions

by the Consumers' Movements of some countries against national and international cartels and monopolies revived the faltering faith of the Co-operative Movement in its ability to defend consumer interests. A special organisation, the International Co-operative Wholesale Society, established in the Alliance to serve as a study, research and planning organisation, concentrated its efforts upon joint purchases from Co-operative Wholesale Societies in Europe.

In spite of the difficulties then revealed, due to the great differences between countries as regards economic development and general ways of life, differences in consumption habits and in actual ability and willingness to take action in the individual Movements, the work of the I.C.W.S. led to a proposal to solve the problem on a "universal" basis by the establishment of an **International Trading Agency**—at first inter-European. The Agency (ICTA) was formed in 1937. Its early work suffered greatly by the economic preparations for war, accompanied by sharpened restrictions upon international trade, and shortly afterwards by the outbreak of the Second World War. The far too wide frame of work hindered its real purpose; its work, which was never great, was diverted into other channels and finally discontinued.

The present development towards integration in great markets has given the Co-operative Movements, mainly those in Europe, new hopes of organising the co-operative exchange of goods, and integration on the production side, on a more realistic basis. Expectations of a successive levelling of the discrepancies between national economies, a general rise in the standard of living, and a gradual "unidirection" of consumption through the EEC, particularly by its expansion to embrace the greater part of the co-operatively active countries of Europe, have been taken as the starting point.

This important expansion of the sphere of co-operative collaboration is still in its offing, but has been made the foundation of the general programme of work within the research and planning body, the International Co-operative Wholesale Committee (C.W.C.) ever since the plans for a European integration zone began to take definite form. Shortly after the Common Market had been established, an independent Co-operative EEC Secretariat was established, with its headquarters in Brussels, its chief task being to represent the interests of the Co-operative Movement in relations with the EEC authorities and to maintain contacts with them.

In 1962 an EEC **Consumers' Co-operative Wholesale Society Committee** was constituted with the purpose of maintaining permanent representation in the EEC. Its tasks are much more far-reaching, however—to prepare an organised exchange of goods between the Wholesale Societies and to investigate the prospects of common co-operative production within the zone. The first step will be to put into effect an effective specialisation of co-operative production in EEC states, but the Committee has been awaiting the results of the negotiations begun first in 1961 by Great Britain and later by other countries, also members of the EFTA, for membership of the EEC.

A few years earlier, after the EFTA agreement came into force, co-operative collaboration groups were established in two areas in Europe to investigate and prepare for practical economic collaboration in the exchange and production of

goods. In 1959 a special Secretariat, **Nordisk Økonomisk Sekretariat** (Scandinavian Economic Secretariat), with its headquarters in Copenhagen, was established in the collaborating co-operative trade organisations in the Scandinavian countries, **Nordisk Andelsforbund/Nordisk Andels-Eksport** (Scandinavian Co-operative Wholesale Society/Scandinavian Co-operative Export Society), to plan economic collaboration in other spheres than joint purchasing, mainly the co-ordination and specialisation of the productions of the Scandinavian Consumers' Movements.

The Secretariat was to continue the preparations for Scandinavian co-operative collaboration in a wider sphere, which was begun at the beginning of the 1950's. The idea of a Scandinavian customs union was advanced and, after it had been taken over at government level, became the object of intensive research and preparation; a convention was drafted and final negotiations held when the rapid British-Swedish initiative for the formation of the EFTA caused the idea to be postponed. The Co-operative Movements were among those which supported most enthusiastically, and most actively furthered, the planning of the Scandinavian customs union, which in its intended form, was very similar to the economic community brought into being in the EEC.

In connection with the Congress at Lausanne in 1960, the Consumers' Co-operative Wholesale Societies represented formed a collaboration group for all the EFTA states, the **Co-operative EFTA Working Group**. Its study and research secretariat has its headquarters at **Nordisk Økonomisk Sekretariat** in Copenhagen, and is availing itself of the research staff there.

The Tasks of International Co-operative Integration.

International co-operative economic collaboration in the free sector of world economy has hitherto been on a very small scale in relation to the total size and strength of the Consumers' Co-operative Wholesale Societies. Integration on the buying side has been established between two European regional organisations, however. Since 1918 **Nordisk Andelsforbund** has increased its purchases of trans-oceanic and other products for the Scandinavian Wholesale Societies to the equivalent, assessed in 1955, of 40 per cent of the members' total imports of goods.*

The limitation of the tasks of **Nordisk Andelsforbund** to joint purchasing was not originally intended. When it was established, Denmark was the only country where a Co-operative Society with members of other nationalities than the home country could be legally domiciled. On the other hand, certain stipulations in Danish Law prevented such an organisation from taking up other activities than joint purchasing on the sole behalf of the member wholesales, and it was not allowed to effect sales on account of its members. It was because of this legal hindrance that, later on, the Scandinavian Co-operative Export Society, **Nordisk Andels-Eksport**, was founded.

* It should be observed that a considerable proportion of these imports consists of articles that **Nordisk Andelsforbund** cannot yet import at all, or only in very small quantities, e.g., textiles and millinery, household machines and other durable goods, machines, and industrial equipment for co-operative production.

Under present circumstances there are, however, full facilities to change the special legal co-operative character of **Nordisk Andelsforbund** to enable it to include also sales activities.

During the whole period of its existence **Nordisk Andelsforbund** has been of the utmost value for its member Wholesales and for the Scandinavian Consumers' Co-operative Movement as a whole. An assessment of the aggregate value of the purchases made during its first 40 years (1918-58) amounts to 6 billion Danish crowns in the money value of 1958. The dividends paid to the member Wholesales during this period were 58 million. This sum, however, only represents part of the savings made by the elimination of middlemen in its international trade, as considerable sums have been set aside in funds.

Very considerable savings have been attained as a result of the direct contacts gradually established with the producer-sellers. The large purchase volumes, in addition, made it possible, in many cases, to negotiate lower export prices. **Nordisk Andelsforbund**, to take only one example, is the largest single coffee-importing firm in Europe.

Its activities have a very wide international scope. In one recent year it made business transactions with firms in 56 countries in all five continents. It has branch offices in London; in Santos, Brazil; in Valencia, Spain; and at San Francisco, California, U.S.A.

The business experience gathered and the wide and close survey of world commodity markets acquired during its existence have been of inestimable value, also for other purchasing departments of the member Wholesales than those in which the organisation is mainly engaged.

Nordisk Andelsforbund's sister organisation, **Nordisk Andels-Eksport**, which began functioning in 1955, was founded, as already mentioned, as a complement to the former organisation. Its purpose is to act as an intermediary in exports to different countries, partly of the surplus production of the Scandinavian Wholesale Societies not sold through their own channels and agents abroad, and of produce from the producers' co-operatives (chiefly agricultural), in this case, too, only as far as sales are not arranged through foreign marketing organisations and commercial connections. It also arranges imports from various countries to Co-operative Organisations in regions outside the area covered by **Nordisk Andelsforbund**, up to the present only in western Europe. Its activities have grown steadily in spite of the still modest size of its central commercial organisation.

The organisational frame of **Nordisk Andels-Eksport** seems to me particularly well suited for a future expansion of international, in the first place inter-European, co-operative trade exchange and of the increasing volume of "outside trading" by Co-operative Organisations. With the development of greater integrated markets, the organic commercial relations of co-operation, not least of consumers' co-operation, with other sections of economic activities - state-owned, other collective and also private - are likely to grow in volume and diversification, and a co-ordination of these relations at international level, wherever practicable, should be of obvious use for strengthening its competitive power.

Organisations of the "double-sided" type, like the **Nordisk Andels-Eksport**, are also apt to serve directly the establishment of mutual trade interchange with

overseas Co-operative Marketing and Purchasing Organisations, particularly in development countries. Such interchange is already taking place, but to a great extent by the intermediary of middlemen in the private channels of international trade. Organisations including facilities for direct mutual interchange could also find new trade openings and utilise them to the advantage of both parties. There are wide possibilities ahead in this important field of intensified international co-operative trading.

I have been dwelling upon the Scandinavian Co-operative Organisations as regards collaboration in the practical-economic field, not only because they are more closely within my personal range of view, but because they seem to me to offer striking examples of how such collaboration can be brought about when the immaterial hindrances of national prestige and obstacles of other emotional character will have been removed and, in place of them, the substantial economic advantages of co-operative collaboration "across the borders" steadily kept in sight.

There is only one other Consumers' Co-operative Organisation of this kind in existence in Europe - it is the **English and Scottish Joint Co-operative Wholesale Society**, founded in 1923. While tea trading is its main concern, it has other important activities, notably the preparation and sale of coffee, cocoa and chocolate. The Society owns tea estates in India, Ceylon, and Tanganyika.

Its activities are, rather naturally, facilitated by the fact that the two Wholesale Societies, partners, operate within the same national boundaries.

The only joint co-operative undertaking in the wider international sphere so far created, the **International Co-operative Petroleum Association**, represents a keen attempt to come to grips with one of the strongest monopolistic enterprise sections in the world, the international combines in the oil industry. While fighting out spectacular battles on the possession of the world's oil deposits these combines unite in cartels in the national markets to establish and maintain powerful sales monopolies, extracting, in many cases, sensational profits from oil consumers of all categories.

The oil consumers in the United States, in particular the farmers in the Middle West, began long ago to organise Co-operative Societies to secure their oil supply independently from the big combines. In the course of years, they succeeded in building up a powerful vertical organisation of their own, extending to oil wells, pipe lines and refineries. The International Co-operative Petroleum Association was established in 1947 on the joint initiative of the American Co-operative leader **Howard A. Cowden**, and the "grand old man" of Swedish and Scandinavian co-operation, **Albin Johansson**. A comprehensive presentation of the birth and rise of American and Swedish "oil co-operation" was given in the paper of Mr. Johansson to the I.C.A. Congress at Stockholm in 1957.

The I.C.P.A. has, as its main objectives, to promote the establishment of national co-operative "oil organisations;" to secure their supply of oil and oil products at reasonable prices, when needed independently from the big oil companies; to reinforce and widen their radius of action by going into production and refining, jointly and at national or regional levels.

The I.C.P.A. is carrying on its activities with increasing success, and National Organisations in all the five continents are affiliated to it. In the United States in 1957, co-operative oil associations were stated to control 20 per cent of the oil supply in the main farming states. In Sweden the affiliated Organisation, "OK" founded by an alliance of co-operative organisations of all co-operative categories, covers about the same percentage of national imports and forms the backbone of a joint Scandinavian organisation comprising co-operative oil associations in Denmark, Norway and Sweden.

The fundamental basis of the monopolistic power of the international oil combines is their possession of the greater part of oil deposits in the "free" sector of world economy. In several cases they have come into possession of oil fields of abundant richness by concessions granted to them by feudal rulers sharing the profits with the concessionaires and, mostly, using their share to create a luxurious privileged isle in the midst of an extremely poor population. Most of these oil-bearing countries are typical development countries. The initiative of the I.C.A. to establish international joint producer-consumer control over the world's oil resources, also to remedy these abnormally detrimental repercussions, brought before the United Nations in 1947 and onwards, has so far not materialised but political developments in the countries affected are bringing these conflicts to a climax.

International re-insurance business between the Co-operative Insurance Societies members of the Insurance Committee of the I.C.A., and to a certain extent the International Co-operative Bank at Basel, are other manifestations of the will towards international integration within the Co-operative Movement in different parts of the world. Re-insurance in particular has shown a remarkably progressive tendency both in its expansion and scope, and has been a useful support for the development of co-operative insurance in countries where it is relatively new.

The prospects of bringing about international collaboration by the integration of the commercial and productive activities of the Consumers' Co-operative Wholesale Societies, in the first place on a European scale and for the time being within the framework of the EEC and EFTA, do not exist only in the relatively great extent of organised consumers' markets—in the EEC zone 9.7 million members and 17.5 million in the EFTA zone (equivalent with family members to approximately 20–25 million people, or 65–70 per cent of the population of the zones). The disintegration of the total purchasing power of families, which is brought about by the reticence of consumers' co-operation fully to enter competition in the market, probably puts much of this purchasing power beyond the reach of the effects of the integration in the Consumers' Co-operative Movement for some time to come. The Consumers' Co-operative Movements in the various countries are, as already pointed out, to a widely varying degree engaged in providing their members' necessities to their full extent. In many countries activities are still restricted mainly to foodstuffs and other ordinary daily household necessities.

The integration of the Wholesale Societies, which will be made more necessary by enterprise integration in the private sector in the great markets, must, therefore, aim at a **continuous expansion of production to cover the demands of a larger diversity** within the co-operative sector. In addition to the provision of essential

goods – foodstuffs and household articles – it must meet the growing demands for categories of “new” commodities, also, when needed, by joint production in sufficiently large units, respectively, by a specialisation of the already existing national productive undertakings and an efficiently organised exchange of their products. By integration on the buying side it must reduce the costs of imports of both raw materials for co-operative industry and of consumption goods.

The difficulties in the way of integration which must be overcome in order to perform these tasks, are manifest. There are difficulties due to particular features of the national characters, or special circumstances that affect groups of countries or regions, such as language barriers, cultural traditions, average standard of living, and consumption habits. Inherent unconscious feelings of antagonism within one group against other national groups, religious differences, dominant political and social convictions and other antagonisms have led to schisms in the Movement in some countries which may lead to organisations in the divided Movement being unwilling to collaborate also in a wider sphere.

If we look upon these differences and antagonisms as the lesser evil – which will also affect enterprise integration in the private sector, but to which the private sector can adapt itself more smoothly, for example, by nationally coloured affiliated enterprises, differentiated and disguised to suit all shades of dissenting religions and political creeds – special difficulties arise, conditioned by the general development of the great markets.

The common markets will be built up gradually by successive reductions of tariffs during a period now stretching seven to eight years ahead so far as the European integration zones are concerned. This means that greater obstacles in the form of tariff differences and surviving quantitative restrictions will handicap co-operative exchange of goods and the establishment of common undertakings during the earlier phase of the tariff-reducing periods than during the later phase. Thus it will be necessary to introduce the element of “timing” into common co-operative action in the markets. From this point of view the situation for such co-operative action is more favourable now than when the EEC was established five years ago. The individual tariffs also differ greatly. In principle, actions referring to low-tariff commodities are possible earlier than for high-tariff goods.

Further, there are still great differences in the spheres of general social policy and social welfare, also as regards the general conditions in the labour market. These will influence the localisation of common production. Where specialisation of co-operative production requires the closing down of undertakings, difficulties may arise in the transfer of labour to other occupations. The removal of social differences, which is presumed in the EEC treaty, will probably take a comparatively long time.

In the two European common market zones, there are also great differences in the legislation pertaining to the establishment of new businesses and in the legal status of businesses; in laws governing standardisation and normalisation; in sanitary legislation and in legislation referring to trade in foodstuffs. These differences are not only of a technical nature, but may also involve real problems of localisation of common undertakings and their market orientation. A future standardisation of these and other branches of legislation is included in the EEC treaty, but not in the EFTA agreement.

The Organisational Forms of International Co-operative Integration.

In the choice of forms of organisation, consideration must obviously be paid to the circumstances referred to earlier, and to the fundamental position of co-operation in the market economy. The differences just mentioned may influence the choice somewhat, for instance, between either a skeleton organisation for complete integration tasks within each zone with subordinate organisations for all special purposes, or one organisation for both integration zones with subordinate organisations for the special tasks that can be performed, and others for those tasks which can only be solved in each of the respective EEC and EFTA zones.

The position of the co-operative form of enterprise and its connection with the market economy may also exert decisive influence on the specialisation of the tasks in the skeleton organisations to make the integration as effective and comprehensive as possible.

It is obvious that new establishments, the specialisation of production and business transactions of different kinds which are among the practical tasks included in an integration programme, with emphasis on the consumer co-operative spheres of enterprise, include far-reaching permanent contacts with the private sector. Just as the Agricultural Co-operatives and Workers' Co-operative Production and Marketing Societies do not count only upon Consumer Co-operatives as buyers, but must, in most countries, sell, in many cases, the greater part of their produce in the private trade sector, consumers' co-operative production must also sell its surplus in the private sector as well as to other co-operative and collective buying organisations. On the purchase side, and more especially the import side, the Co-operative Wholesale Societies are very largely compelled to buy from sellers in the private sector.

Common consumer co-operative production in the great markets is, right from the beginning, subjected by competition to the same necessity as private enterprise of reducing costs as far as possible by rational operations. This may demand larger units of production with a capacity that, at first, exceeds the ability of the co-operatively organised market to absorb their products. Sales to non-co-operative "private" buyers must be presumed on the terms of market competition. This may mean that the Co-operative Movement, in its most highly integrated form – like the national movements – must count on "outside trading" to a much greater degree than formerly on both the direct trade and production sides.

The gradual expansion of an organised consumers' market within a great market – which is the principal aim of integrated co-operative production – may, however, in time become the mainstay of newly established or specialised consumer co-operative productive undertakings. Consideration of this course of development seems to necessitate the choice of a form of organisation of common production that will not raise obstacles in the way of a more extensive market orientation, or of a wider and stronger co-operative influence of competition in the market.

The initial prospects of industrial specialisation in the consumer co-operative sector are best in the EFTA countries. Specialisation will be the first task of an integration on the production side, which is allowed for in the plans being

drawn up at present in the **Nordisk Økonomisk Sekretariat** for integration in the Co-operative Movements of Scandinavia. After the establishment of the group a preliminary survey was made of the total extent and differentiation of co-operative production in all the EFTA countries, which showed that it embraces 53 groups of goods according to the United Nations International Standard of Industrial Classification, Divisions 2-3. Several of these are collective groups, however, including closely related industries, whose products are often manufactured in separate factories. Thus differentiation is much greater than is implied in the number 53.

The preliminary survey is tabulated below -

| | Number of undertakings | Value of production £ | Number of employees |
|--|---------------------------|-----------------------------|------------------------|
| " West " (England and Scotland)..... | 199 | 173,837,000 | 40,652 |
| " South " (Switzerland and Austria)... | 32 | 19,604,000 | 4,369 |
| " North " (Scandinavian countries)... | 63 | 86,803,000 | 15,577 |
| Total | 294 | 280,244,000 | 60,598 |

As only the larger industrial plants have been included, the total value of production is greater than £281,000,000, given in the table. Nor are enterprises included in which the Wholesale Societies have larger or smaller interests as partners.

A preliminary survey of the corresponding co-operatively owned and operated industrial establishments owned by Co-operative Wholesale Societies in four EEC countries, based on special information for this paper, is shown below -

| | Number of Enterprises | Value of Production £ | Employees |
|---|--------------------------|-----------------------------|---------------|
| Belgium | | | |
| Société Générale Coopérative..... | 31 | 4,641,000 | 847 |
| Fédération Nationale des Coopéra- tives Chrétiennes..... | 1 | 935,700 | 85 |
| France | | | |
| Société Générale des Coopératives de Consommation | 20 | 12,600,000 | 1,100 |
| Germany | | | |
| Grosseinkaufsgesellschaft deutscher Konsumgenossenschaften | 83 | 60,420,000 | 8,342 |
| The Netherlands | | | |
| Coop Nederland | 18 | 4,825,000 | 812 |
| Total | 153 | 78,601,525 | 11,186 |

The effect of co-operative integration on competition in the market, in which both co-operative and private enterprise participate in the production stage, contributes towards reaching the "consumer-favourable" goal which is the final objective of the whole great market. The head of the EEC Secretariat, **Willy Serwy**, has stressed this community of purpose between the common market in the EEC and the European co-operative efforts towards integration as follows (1956):

" . . . if Co-operators seriously consider the intention behind European integration and the principles with which it is imbued, they will welcome this new type of economic organisation. Indeed, its objective, just as in the Co-operative Movement, is the progressive improvement of the standard of living of the consumers by bringing about a reduction in production and distribution costs, and, ultimately, of the retail prices of all those products and services which they need or which they would use if prices were brought within their reach."

The growing collaboration between the Wholesale Societies on the **buying – mainly import – side** gives rise to complicated problems of organisation. Common undertakings within the respective skeleton organisations, specialised one-sidedly on buying (mainly import) may naturally lead to good results just by this concentration. Buying from the whole international market requires a wide and detailed knowledge of the markets for all the different products, which implies a far-reaching specialisation among the leaders of the daily work. International trade, however, requires double-sided contacts. Common trading undertakings in which import and export are combined, and thereby establish contacts with both kinds of co-operative enterprise and the private enterprise sector in the exporting countries, may, it seems, have to be considered seriously.

Both a common, special co-operative buying organisation and a double-sided import/export organisation, whichever may be considered, have the advantage that they need not restrict the participating Wholesale Societies to only one of the common markets. A considerable part – probably the greater – of its activities will be concerned with "third countries," those outside the common markets. It may be assumed that both types of organisation will attract the Wholesale Societies, particularly in the highly-developed Movements, and common undertakings can then begin with a high degree of activity right from the start.

Co-operative Integration and the Development Countries.

The intimate connection of the co-operative form of enterprise to market economy, and the contacts with the private enterprise sector do not imply, naturally, that the primary task will not be to establish economic contacts on the buyer-seller sides preferably with organisations representing different types of co-operation. A high degree of integration has been reached in agricultural co-operation in Europe, the United States, Canada and some other countries, with consequent advantages over private trading enterprises competing in the market. It is quite feasible that farmers' co-operation in Europe, particularly in the EEC countries, will be able to bring about integration over national boundaries in several important branches of processing and marketing.

As previously mentioned, the co-operative organisations of agricultural production and marketing in the development countries are only in their initial stages, and where they have progressed farther have serious shortcomings in their economic organisation both in the collecting stage and in the efficient co-ordination of export in international trade. It has, generally speaking, not emerged from the ways followed by private enterprise in international export and import trade: traditional middlemen from the collecting stage and onwards, many with wholly unproductive functions and, consequently, higher costs than in more direct connections.

There are, however, great prospects, at long sight, for Co-operative Organisations in the development countries engaged in export of tropical and other agricultural produce to improve their terms of trade by direct contacts with Co-operative Wholesale Societies in the industrialised importing countries. As co-operative integration in the importing countries consolidates the co-operatively organised market, and conquers new ones, direct connections with the development countries may increase and thus become a re-organising factor in international trade through private import/export channels.

The very great importance of rapid economic progress in the development countries makes it necessary to pay great attention to the interest of these countries in a direct exchange of goods when co-operative integration in the common markets is being realised and when problems of organisation are being solved.

Other International Co-operative Commercial Contacts in the "Free" Sector.

It should be possible to increase international collaboration between Co-operative Organisations within the framework of the common markets to include more direct contacts between integrated Consumers' Co-operative Organisations and Agricultural Marketing Organisations. When the common market of the EEC has been completely established it will be much easier to make contacts on a large scale.

Collaboration between Co-operative Movements could be established in the free-trade zones and communities now being developed outside Europe for common buying of industrial products. This should be especially valuable to agricultural co-operative buying societies as the trends toward co-operative organisation in these regions increase. This may be the subject of investigation in the near future.

It must be presumed that problems of the type now facing the Co-operative Movement in the common European markets will have to be solved. Differences in language, religion, political creeds and other immaterial factors are usually greater in the regions outside Europe.

As co-operative integration is established, it will be one of the most important tasks of its leaders to report the experiences gained to the Co-operative Movements of other countries.

Ultimate Goals of Economic Integration – The Freedom of Action of the Co-operative Movement Necessary to Attain Them.

The zonal economic integrations would, if they were intended to be permanent, get the same character as protectionist blocs, aimed at self-sufficiency, and selling their export surplus by means of a bilateral commercial policy of bargaining with the outer world. They are, however, as mentioned earlier, to be regarded only as a **transitional stage** on the way to free, multilateral world trade. The ultimate goal of this is to encompass all peoples and, if possible, different economic systems.

As the outer tariffs of the “free” sector are reduced by mutual concessions, or models are created for collaboration between the integration zones, on which reductions of tariffs have no effect, the world can successively and, we hope, rapidly reach this goal. In the Rome Treaty, which is the model treaty, the goal is formulated in Article 18, which says that the member states declare their willingness to negotiate contracts on the basis of reciprocity, aiming at a reduction of tariffs below the outer customs barrier allowed to the Community in its capacity of a customs union by the GATT regulations.

To level the way to free world trade with the object of realising as efficient an international division of labour as possible, it is an **indispensable requirement that in every country and zone full freedom of action is given to all the powers that counteract the development of all forms of monopoly. The Co-operative Movement is one of the most important of these powers.** In many countries in the “free” sector the Movement is handicapped by many direct and indirect obstacles in legislation and by other relations to the state. It is still more intimately bound to the state directed economy in the planned economy sector. Co-operative Organisations there can count on the support that can be given by the International Movement when they demand more freedom to collaborate with Co-operative Organisations in other countries in order to keep world trade free from the influence of monopolistic tendencies encroaching upon the free character of the market economy sector in world production and trade.

The Prospects of a United World Economy.

The planned economy sector of the world is very large, as regards population and natural resources. It comprises one-quarter of the earth's surface and one-third of the world's population. According to a Russian economist, A. Klimov,* the share of the “socialist” countries (Eastern Europe, China and the other Asiatic communist countries) in world production is as follows:

| | Per cent | | Per cent |
|--------------------------------------|----------|---------------|----------|
| Electricity | 19.0 | Steel | 30.9 |
| Petroleum | 15.0 | Cement | 35.0 |
| Coal (converted to steam coal) | 49.9 | Cereals | 47.0 |
| Iron (pig-iron, ingots)..... | 35.5 | Cotton..... | 40.0 |

* A. Klimov, article in *Aus der internationalen Arbeiterbewegung*, 1961.

Klimov adds that, with the rapid rate of industrialisation in the "socialist" sector of world economy, it may be presumed that by 1965 the "socialist" sector will be responsible for more than half of total world production. The struggle for world peace is, according to a statement by Klimov, a struggle to realise the principle of peaceful co-existence.

The prime objective of Comecon is, rather naturally, to strengthen the economic potential within the group of communist states at the present stage in Eastern Europe, the ultimate aim being to attain economic autarchy. Within Comecon every state will enjoy full economic sovereignty and the right to draw up national plans for economic progress, but the main task will be to co-ordinate the economic planning of the member countries. The ultimate goal of the organisation is stated to be an intimate integration of the economies of the economic system based on Marxist-Leninist ideologies which is fully established in some of the affiliated countries, and is being realised in others. The integration will aim at an all-round increase of productivity in the economies of all affiliated countries by intimate collaboration in scientific and technical research, by specialisation of production, and by other available means. The programme also includes mutual help with loans, joint execution of large economic projects, and the encouragement of mutual trading relations.

The general principles for industrial co-operation are that plants should be located, wherever possible, in the countries and places best suited from the aspects of natural resources, labour, skill and ability to provide management – as a whole according to the "principles of international division of labour" as expressed in a declaration of the organisation of 17th June, 1962.

The organisational structure has been built up on the principle of equality. It implies that voting rights in the Council are equal; that all decisions shall be taken unanimously. The decisions are binding only when the corresponding formal agreement has been signed. The Secretariat is in Moscow; the General Secretary is a Soviet citizen, with two deputies representing other industrialised member countries.

The methods of work mainly developed since 1956, comprise a number of specialised commissions (17) with their headquarters in different Comecon countries for the co-ordination of the work in various economic spheres, techniques and research.

The task of Comecon with regard to international trade in a wider sense, and the possibilities of this quite special integration zone to collaborate with the integration zones in the market economy sector, will be to some extent elucidated also by the general development of the economic policy of the East block since the end of the world war.

The general economic objective of the East states was at first reconstruction by their own efforts and co-ordination was hardly attempted. The main task for each of them was to repair the great damage inflicted during the war and nazis occupation. When industrialisation was begun, the intention was to create an economy within Comecon in principle isolated from the rest of the world, but not without the intention of seeking commercial contacts outside the restricted zone.

Shortly before his death, **J. Stalin** wrote in *The Communist bloc in World Trade*:*

“The disintegration of the single, all-embracing world market must be regarded as the most important economic sequel of the Second World War . . . so that we have two parallel world markets confronting one another. It may be confidently said that with the rapid pace of industrial development within the bloc, it will soon come to pass that our countries will not only be in no need of imports from capitalist countries, but will themselves feel the necessity of finding an outside market for their surplus products.”

Export without corresponding import is self-evidently inconceivable. In a later phase of industrialisation both **N. Khrushchev** and representatives of the Eastern states in the U.N. Regional Commission for Europe, the Economic Commission for Europe, have stressed the wish of the Eastern bloc to open and widen trading and other economic negotiations with the market economy countries.

The desirability of economic collaboration with the Eastern bloc, which would encourage tendencies toward world-wide integration, is obvious, but the fundamental obstacles in the way are equally obvious. Collaboration between Comecon and the integration zones in other parts of the world on the basis of reductions of customs duties are not practicable, owing to the fundamental differences between the two economic systems.

In principle, and practice, tariffs are meaningless as a means of regulating foreign trade in a country where all trading decisions are taken by a single administrative body – a state trading agency.

Mutual reductions of tariffs have obviously quite another aim and quite different effects when it is a question of agreements to lower tariffs between countries or zones of integration in the market economy sector, and between the countries with state controlled economy.

A reduction of tariffs in a planned economy country or zone cannot cause a greater demand for its products, or an increase of exports from a market economy country or zone, unless it happens to be part of the total plan of the planned economy zone.

Nor can a reduction of tariffs in a market economy country or zone have the effect that imports from the planned economy zone increase automatically.

An undertaking by a planned economy zone to abolish quantitative restrictions to the same extent as has taken place by, for example, liberalisation in the OEEC in Europe, does not have reciprocal effects.

The state directed planning carried out in the Eastern states, which includes a corresponding planning for foreign trade, has a similar restrictive effect, though to an incomparably greater extent, on their import as the sum of the quantitative restrictions by the licensing and quota system that the Western states were compelled to apply in their emergency situation during the world wars.

The possibilities, which are still theoretically feasible, of economic collaboration between the two zones are mainly an exchange of technical experience, common

* Quoted from the American periodical, *Current History*.

scientific research and possibly a freer circulation of labour, in the first place highly qualified people – scientists, technicians and other experts – between the two regions. A general condition for such an exchange is, however, much more confidence in the relations between the two groups than exists at present.

The exchange of goods that has taken place hitherto between the planned economy states and the “free” sector has been mainly in the nature of transactions dictated by temporary self-interest at short sight. It has become so comparatively large, however, that exports from the market economy sector to the Eastern bloc accounted for about one-third of the total foreign trade of the bloc in 1960.

The total value and distribution of trade in the Eastern bloc is shown in table form –

| | Export | | Import | |
|---------------------------------------|------------|-------|------------|-------|
| | million \$ | % | million \$ | % |
| With whole world | 7,657.0 | 100.0 | 7,829.4 | 100.0 |
| U.S.S.R. – China – East European bloc | 5,385.6 | 70.0 | 5,455.6 | 69.0 |
| Whereof – | | | | |
| U.S.S.R. | 2,838.8 | 37.0 | 2,980.4 | 38.0 |
| Other eastern bloc states..... | 2,128.2 | 27.8 | 2,120.3 | 27.1 |
| People's Republic of China | 343.4 | 4.5 | 328.6 | 4.2 |
| Other communist states | 75.2 | 1.0 | 46.3 | 0.6 |
| “The Western World” | 2,271.4 | 29.7 | 2,353.8 | 30.1 |
| Whereof – | | | | |
| Industrial countries..... | 1,458.5 | 19.1 | 1,629.0 | 20.8 |
| Development countries | 565.5 | 7.4 | 522.9 | 6.7 |
| Unclassified | 247.4 | 3.2 | 201.9 | 2.6 |

Thus the “western world” contributed nearly one-third of the foreign trade of the East bloc, two-thirds of which came from the industrial countries.

The extent of Comecon’s mutual exchange of goods is shown mainly by the figures in the table for the trade of the Soviet Union with the “Eastern bloc states.” The exchange of goods between the latter is not shown.

Compared with world trade as a whole, the foreign trade of the Eastern bloc must be regarded as insignificant. In 1960, it comprised, according to other American sources, 12 per cent of the total value of world trade. The whole eastern bloc (including China) contributed the same year by somewhat more than 4 per cent to the foreign trade of the western states. The total export of the largest state, the Soviet Union, to western countries was less than \$1,500 million, or about as much as the value of Denmark’s export in the same year.

* Compiled by *Current History* on the basis of available trade statistics of the various East European States, China and other communist states outside Europe, as well as statistics of foreign trade published by the States in the market economy sector.

These figures illustrate the actual extent of the present schism between the eastern bloc and the "free" sector.

The transactions, of a casual character, which have hitherto been the main foundation of the eastern bloc trade with the "free" world may naturally be extended as the export capacity of the planned economy group increases. To this, bilateral mutual delivery and credit agreements may also contribute. Such an agreement was made between Sweden and the Soviet Union after the close of World War II; a very comprehensive contract for Swedish conditions. Trade agreements with large countries within the market economy sector may be negotiated on a larger scale than hitherto after the political tensions are eased.

The International Conference on International Trade in relation to the development countries, to be convened by the U.N. Economic and Social Council in 1964, may be expected to contribute towards elucidating the prospects of a widening exchange of goods between west and east. Both eastern countries, primarily the Soviet Union, and western countries are represented in the Commission appointed to plan the Conference.

To sum up -

Foreign trade of the eastern bloc, in contrast to that within the market economy sector, does not present the picture of permanent foreign trade relations tying all countries engaged therein firmly together on the basis of international division of labour on a universal scale.

It has been subjected to central planning and direction in accordance with the aim of the bloc to attain economic autarchy, that is to say, complete independence of the outer world with regard to the material prerequisites for production and economic development as a whole.

Commercial connections of the bloc with the outer world are consequently mainly based on bilateral trade agreements. Commercial exchange on this basis, credit and mutual delivery agreements, is bound to show an increasing trend as industrial and agricultural expansion makes further progress and the bloc produces growing "genuine" export surpluses.

The effects on international division of labour of this widening economic collaboration between planned economy and market economy sectors will not be equal to the effects of co-operation between the market economy zones now in progress and with prospects of continual expansion. This, however, is no reason why the western countries should hamper its development or handicap it.

Commercial Connections between Co-operative Organisations in the Two Sectors.

The Co-operative Movement in the countries of the eastern bloc is, in principle, voluntary in that no compulsory membership is stipulated in the legislation of any of the countries. Other state regulations and provisions, such as the division of activities among different branches of trade, between town and country or in

conjunction with rationing of food and other commodities may, however, considerably restrict its formal voluntary character. Such regulations, for instance, may stand in the way of the establishment of societies based on voluntary affiliation in certain areas or certain fields of economic activity, or induce affiliation to societies for other reasons than those inherent in the pursuance of purely co-operative objectives.

The possibilities for the Movement to work and expand freely – in the same sense as in western countries – are clearly extremely restricted by the fact that it is bound to the state planned economy as a whole. Where the communist system is not yet fully realised there is possibly still, to some extent, a free field for co-operative activities. It will, however, diminish as the system becomes more developed and stabilised in all sectors of the national economy.

The positive part played by the Co-operative Movement in state planned economies may, however, become a useful contribution to the promotion of efficiency within the economic system as a whole. As regards Consumers' Co-operatives, for example, active and widespread member participation – regardless of the functioning in reality of formal democratic control, where such exists – may lead to closer insight into, and critical observation of, the practical activities of the Societies and of the Co-operative Organisations at a higher level with which they are connected. By thus keeping watch on the consumers' co-operative set-up, the opinion of the members may influence efficiency also in the state organised industrial production units and distributive network and thus introduce an element of cost competition into this sector. Similar effects may be assumed as regards Co-operative Organisations in the agricultural and other sectors of the economy.

Structural integration within Co-operative Movements of different categories in the state planned economies can, of course, be greatly speeded up by the influence of dispositions taken by the state, since the practical activities of the Movement are co-ordinated within the framework of the central planning of production and trade. It will appear from statements available that co-operative integration is rather far advanced in the Soviet Union and other countries of the eastern bloc, conforming to the general ideas underlying centralised planning.

Co-operative Organisations, like state enterprise, are engaged in negotiating commercial transactions with buyers in countries outside the eastern bloc. It is rather obvious that in this context their attention is drawn, in the first place, to co-operative buying organisations, and the same applies when they have to buy from abroad.

In practice such co-operative business is transacted along the same lines as other transactions in the field of foreign trade. Co-operative agencies are authorised by the foreign trade monopolies on the same conditions as state agencies for import and export, and transact business with co-operative and other partners abroad.

Economic collaboration between Co-operative Organisations on a larger scale in both sectors may be established and extended by commercial agreements referring to special groups of goods. Central Co-operative Organisations in the

eastern countries, in the first place **Centrosoyuz**, have made a number of agreements, some of them rather far-reaching, for deliveries to Consumers' Co-operative Wholesale Societies in the "free" sector;* deliveries have also been made in the opposite direction.

The exchange of goods has thus gradually become mutual, and it should be possible to extend it considerably more across the boundaries of the integrated economic zones in the west, to the benefit of both parties. From the aspect of international co-operation it is important that advantage should be taken of all opportunities offered to intensify and extend such agreements to help to bring about a greater degree of international co-operative integration than is possible at present.

Conclusions: General Prospects for Co-operative Development.

The Co-operative Movement in its different forms during its more than century-long history, has manifested an unparalleled ability to spread its fundamental principles and practice among great sections of the population of the world.

Its development has run side by side with, and has been a strong support for, the democratic form of society. There is no reason to fear that the progress of co-operation will cease with, or be handicapped by, the radical changes in world economy that have taken place since the world wars and have now led to extensive integrations in different zones of world economy and world trade. On the contrary, this organisation of world economy will further encourage and accelerate the development of the Co-operative Movement in those regions where it has not yet made such great progress as in the economically highly developed countries.

There is every reason to expect that the progress of zonal integration will have markedly favourable effects on the expansion and strengthening of the co-operative economy in both industrialised and development countries. The increase of production that is to be expected – first and most strikingly in the industrialised countries – also provides facilities for them to allot a much greater share of their material resources for effective assistance to the development countries. The Co-operative Movements in industrialised countries should mobilise all their influence to guide integration development in this direction.

It would evidently be a misdirection of the efforts for widening zonal integration if its gains should be reserved only for the populations of the "rich" countries. Zonal integration, followed up by radical reduction of the outer tariffs of the zones, implies in its direct effects on international trade considerably improved prospects for an expansion of the exports of development countries and

* As long ago as 1955-56 such agreements were made between Centrosoyuz and the Scottish C.W.S. and Co-operative Organisations in Japan. Still more have been made since. The Swedish Wholesale Society's transactions with co-operative and other trade organisations in the Soviet Union account for not less than 4.2% of total Swedish imports from, and 8.2% of total Swedish exports to the Soviet Union.

for a re-adjustment of their terms of trade. The rising prosperity of the already "rich" countries should, however, also impose positive obligations upon them to assist the development countries to a much greater extent than hitherto with what they most urgently need – investment capital for their basic economic development.*

The Movements in the countries included in the common markets are now passing through a period of transition, which demands rapid adaptation to the great possibilities inherent in the common markets for extending the provision of the necessities of life through the consumers' co-operative enterprise sector. There are also substantial prospects for making the influence of the Movement felt more decisively to the benefit of both consumers and the neglected classes of independent producers whose main capital is their own labour, and who are dependent on the yield of this capital for an improvement in their material conditions.

It should be possible, for example, within the framework of the free circulation of capital that is to be realised in the EEC, to organise collaboration for the raising of capital for the central organisations in the various spheres of the activities of Credit Co-operation in the small producers' co-operative sectors.

Agricultural Marketing Co-operatives in most European countries are not bound to the national markets. The practical possibility of realising the common market system for agriculture in the EEC can be furthered by collaboration between the Agricultural Co-operative Marketing Organisations.

Integration of the Agricultural Co-operative Buying Organisations will increase their efficiency. It will also improve the prospects of establishing own production on a larger scale, when it becomes possible to apply mass-production methods, e.g., in the agricultural machine industry, the fertilizer and fodder industries.

The obstacles that may be met with here should be easier to overcome on the basis of the direct economic producer interests of the farmers. National differences exist regarding the use and marketing of various types of agricultural necessities, but large groups of articles, such as the highly important item, fertilizers, can be sold in the whole or the greater part of the market area. Large common productive undertakings in such branches can also look forward to co-operative markets outside the zonal regions.

* * * * *

The objectives of the integration of Consumers' Co-operative Movements which must be realised at the earliest possible opportunity include – as must be stressed again – the expansion of the provision of necessities to the "new" spheres. This will require increasing and intensified activities on the production side. Integrated co-operative economy must be so organised as to embrace now only

* According to the statistics of the OECD, governmental bilateral and multilateral aid to the development countries (financial and technical assistance) in the five years 1955-1960 amounted to \$20 billion and private capital investments and credits to \$15 billion. However imposing these amounts may appear in absolute figures they are only equal to a very small share of the aggregate national income of the countries rendering assistance.

the "new" branches in which private trade and production are already active; common research should also be one goal of the integration. Inventions and the technical experience they may lead to will then be employed in the first place in co-operative production and trade with immediate and great advantages for the members.

The Patents Institute was intended originally as a fair assessment of the sacrifices and work of independent inventors. In private enterprise, however, it tends more and more to be exploited as a basis for new monopolistic attacks. Patents cartels are also more inaccessible to state anti-monopoly legislation, since the Patents Institute in all countries in the "free" sector is protected by law. The independent inventor has also been replaced, to an increasing extent, by the laboratories of the great private industrial combines, and the results achieved in the laboratories are mostly exploited exclusively by the enterprises themselves with a view to extracting the greatest possible profits from them.

* * * * *

Integration in the national co-operative markets on the distribution side will be in the form of a sales network, working with optimum operation units, large ones in densely populated areas, small ones in sparsely populated regions. This will make it easier to meet effectively the attacks of the great chain stores, which are largely conditioned by operational technical advantages. The "horizontal/vertical" integration now established - harmonious collaboration between efficient local societies and their central organisations on the distribution side - give better prospects of increasing the production of the National Co-operative Movements. It is important, above all, to meet the threat from the monopolistic cartels and trusts at this stage.

* * * * *

Certain circumstances which favour the Co-operative Movement in the market competition should be observed. The advantages enjoyed by the private trade sector are far from the same everywhere. The still unintegrated smaller private traders dominate the commodity distribution of many countries at the retail stage. The integration of the Consumers' Co-operative Movement may here encourage the integration of small businesses. Where competition in the market is kept free it serves the purpose of consumers as a body. If the integration of small businesses - the voluntary commercial chains - shows monopolistic tendencies, the co-operative distribution of goods will gain advantages in the competition, which will favour its further expansion.

In countries where the centrally directed and managed large-scale enterprises in industry and commerce have already gained a strong position and have monopolistic features, inherent economic weaknesses will appear sooner or later. Where monopolies regard themselves as firmly established they are often accompanied by marked inertia in adaptation to technical progress. A monopoly does not willingly take the risk of a complete renewal of real capital which is often made necessary by new techniques of production, as long as it believes it can

keep a firm hold on the market by its old methods. The larger a monopoly becomes, the more it inclines toward bureaucratism in management, which in its turn leads to overdimensioned administration and an unproportional rise in fixed costs.

To maintain a monopoly position in production requires corresponding assistance from, and alliance with, independent links in distribution. This is obtained and maintained by granting high bonuses, which mean high retail prices. Co-operative intervention, even on a small scale, has been shown by experience in many countries, where Consumers' Co-operatives have carried out their initiatives by the necessary strength and perseverance, to lead to the undermining of an artificially built up monopoly, and finally to its fall.

* * * * *

Common co-operative productive enterprises of a size necessary for modern demands in a common market or other integration zone, can have still more immediate effects if there exists an alliance with direct, rationalised co-operative distribution in all parts of the market. Where surplus co-operative products find their way to consumers by way of "outside trading" – with the private trade sector – this may radically affect market competition as a whole in the particular groups of goods, as the private traders will have to conform to co-operative pricing.

The desire for profit in the private enterprise sector, which has appeared in such competitive situations, is no divining-rod to show the way to hitherto untried paths in economic development.

Even the great capital resources of the monopolies need not, in the long run, cause co-operative reluctance to take part in competition in the market. By an efficient capital policy in countries where the average income of most of the members is increasing, and where the members represent a large portion of the population, a successive increase in the size of shares can mean a very considerable augmentation of capital. Such a policy of gradually increasing the size of the individual shares and a canalising of members' savings in various ways – which are also made possible by the effects of co-operative pricing on total family expenditure – into the co-operative sphere of investments will be to an increasing extent a natural necessity for the realisation of co-operative integration at different levels.

* * * * *

The development towards uniform, integrated large markets shows co-operation the way to a more complete concentration of power than was possible in the early stages of its development. The necessity of transforming the historically conditioned forms of organisation and activities, which belonged to its early phases, but which now retard the adaptation of co-operation to prevailing trends toward large-scale operation and integration in the highly developed industrial countries, is now being recognised to a rapidly increasing extent in the Co-operative Movements of most countries. The steps taken toward adaptation to the demands of the great markets have given good and quick results.

On the threshold of a new economic epoch, co-operation, as a non-profit-making enterprise, backed up by mighty democratic people's movements, is in a position to contribute towards a continued dynamic moulding of the national and zonal economy. The International Co-operative Movement will certainly not fail to take advantage of these possibilities of setting its mark on the new forms of economic development in the various integration zones.

The fundamental aims of the Co-operative Movement are also among the most important objectives in aspirations to achieve international economic solidarity. When by striving for integration on a higher plane it seeks to find the most effective organisational forms, it is important for these forms to be chosen so that they also satisfy the interests of the **development countries** in establishing direct, reciprocal co-operative trade contacts.

Co-operative integration will, therefore, serve directly the development of co-operation in these countries. One of its principal tasks will be to contribute toward a successive improvement of the strikingly unfavourable terms of trade that handicap the development countries so much in their attempts to raise their material standards by self-help.

The Co-operative Movement unites all peoples and countries, and, in the changed forms to which world economy is now adapting itself, the bonds will be even tighter. In its world-wide activities Co-operation is eminently fitted, not only to maintain the peaceful co-existence of divergent economic systems, but also to contribute in the efforts required to change this co-existence into peaceful collaboration and to establish, step by step, international economic solidarity to the fullest extent.

Resolution.

The 22nd Congress of the International Co-operative Alliance -

considering the efforts to accomplish the freedom of international trade by zonal economic integration in Europe and elsewhere as a transitory stage in the development towards this end,

considering the prospects for expanding and strengthening co-operative integration at all levels entailed in this development, but also

the danger of the attempts by monopolistic cartels and combines to utilise the larger common markets and integrated economic zones at other stages of development for extending and widening their power -

Recommends the Member Organisations -

to accelerate by all means the accomplishment within the National Co-operative Movements of the structural reforms needed to attain an overall high level of efficiency in trade and production;

to direct their efforts to this end and, in particular, to expand their activities in all fields to the satisfaction of the increasingly diversified needs of the member Co-operatives;

to co-ordinate their efforts within the various zones by creating joint organisations of the National Wholesale Societies and other Central Organisations with the object of utilising the advantages of the larger markets in order to counteract the detrimental effects of monopolistic powers, and in other ways to serve the consumers and small producers;

to find appropriate organisational forms for such Organisations for joint purchases and sales, and for the establishment of joint productive enterprises to avail themselves of the advantages of large-scale production;

to strive to realise by these efforts, by means of mutual systematic trade interchange within and outside the zones, possibilities of assisting the development countries in their co-operative development and to contribute to improving the unfavourable terms of trade of these countries;

to provide, by shaping the organisational forms for more effective national structures and co-operative integration within the zones, for the full satisfaction of the fundamental co-operative principles of democratic control;

to bring, by concerted co-operative opinion, pressure to bear on zonal integrations at the developing stage to provide in their structure and fundamental lines of action for the complete freedom of action of the Co-operative Movement, to enable it to maintain effective market competition;

to keep in mind the ultimate goal for zonal economic integration, also within different economic systems: to bring about, in the end, the fully accomplished international economic solidarity needed to raise the material conditions and the living standards of all peoples of the world.

The Congress Instructs the Central Committee -

to support the implementation of these recommendations at all stages of the organisation of the International Co-operative Alliance, through its Auxiliary Committees and through the services of its Secretariat;

to ensure that in carrying out their plans and economic projects, the working groups of National Co-operative Organisations in the various integration zones employ such methods as will make possible concerted co-operative action on the widest international basis;

to work in close collaboration with the United Nations Organisation, its Specialised Agencies and Regional Economic Commissions, and with International Non-Governmental Organisations pursuing the same aims as the International Co-operative Alliance, to bring about the adaptation of zonal economic integration to the fulfilment of the recommendations of this Resolution and to widen universally the sphere of free international trade toward the accomplishment of a sound world economy.

*Albin Johnson suggested "abolition of import restrictions Com
up Committee"*

Amendment to the above Resolution proposed by Lega Nazionale delle Cooperative e Mutue, Italy -

To add the following paragraph to the paragraphs under "Recommends the Member Organisations" -

to develop a propaganda and education designed to enlighten public opinion as to the policy and practices of monopolies, also to place the Co-operative Movement in a position to exert sustained pressure on public authorities in favour of the adoption of a policy of control over investments, of a democratic policy of planned economic development and other effective measures designed to combat monopolies and their harmful consequences.

Albin Johnson

Appendix I.

Reciprocal Tariff Reductions.

Since our Paper was completed, new steps have been taken towards international tariff reduction, and abolition of other obstacles to international trade, along the main lines indicated.

At the Lisbon meeting of the EFTA states in May, an important decision was taken regarding the winding-up of the remaining 50 per cent of the member countries' mutual tariffs, by which reductions of 10 per cent will be effected on 1st January, 1964, 1965 and 1966, respectively, and the last 20 per cent on 1st January, 1967. The reductions within the EFTA integrated zone will thus keep pace with the abolition of the inner tariffs of the EEC zone. From the beginning of 1967, if not earlier, it seems that the road to negotiations about a possible amalgamation of the two zones on the basis of fairly equal prerequisites will be reopened.

About a month after the Lisbon meeting, the first initiative of a radical reduction of tariffs on a global scale was taken, starting from the possibilities of wide tariff concessions implied in the American Trade Expansion Act authorising the President to concede tariff reductions of maximum 50 per cent on the basis of reciprocity. The initiative was brought before the May session of GATT at Geneva which, in approving the necessity of world-wide tariff reductions of a linear character, decided that comprehensive trade negotiations, on a most-favoured-nation basis and on the principle of reciprocity, shall be opened at Geneva in May, 1964, with the widest possible participation. The negotiations will deal not only with tariffs, but also with non-tariff barriers. To elaborate the plan, a Trade Negotiations Committee with a detailed specified assignment will be set up to start immediately on its tasks.

The decision was preceded by a thorough discussion between the main parties on the general principles of reciprocity to be applied as the basis of the negotiations and on the exceptions from the linear character of the reductions to be conceded. It was pointed out by representatives of the EEC that at the starting point of the negotiations the American tariffs are much higher than the outer tariffs of the EEC (as is the case also of the tariffs of several European countries outside the EEC). A cut by half of the tariffs on both sides would thus result in a remaining considerably high protection of the American market, but would mean a much lesser protection of the EEC market. The conflicting points of view in this respect were referred to the Meeting of Ministers which decided, with the consent of the U.S.A. representatives, that the problem of high and low tariff countries should be considered and proposals for its solution worked out in connection with the special rules for general and automatic application to be elaborated by the Trade Negotiations Committee.

It was also agreed that, in view of the limited results obtained in recent years from item-to-item negotiations within the framework of GATT, the negotiations shall be substantially based upon the linear approach with a bare minimum of exceptions; further, they shall cover all classes of products, including agricultural and primary products.

As far as the development areas are concerned, the meeting agreed that in the negotiations every effort shall be made to reduce barriers to exports of the less-developed countries, but that the developed countries cannot expect to receive reciprocity from the less-developed countries.

The preparatory Trade Negotiations Committee, which will consist of representatives of all participating countries, will no doubt have to overcome a multitude of difficulties when interpreting the general lines of tariff elimination agreed in principle as well as technical ones. Even a compromise solution of its tasks and the final outcome of the negotiations to follow, of the similar character of a compromise, should, however, carry the efforts to reduce the barriers on international trade an important step forward.

Appendix II.

International Co-operative Re-Insurance.

International collaboration within the I.C.A. Co-operative Insurance Committee, particularly within its Re-insurance Bureau, deserves mention in connection with our Paper.

The Insurance Committee dates back to the years before the promotion of co-operative insurance in development countries was considered. As the attention of the Alliance was increasingly directed to the promotion of co-operation in these countries, the need for co-operative insurance was discussed in the Insurance Committee, and was the principal item on the agenda of a Conference convened in New York in 1959.

The question was again considered at the Conference at Lausanne in 1960, when it was decided to set up a Research Sub-Committee to elaborate proposals for the promotion of co-operative insurance in development countries, for the exchange of personnel between Co-operative Insurance Organisations, and for investments in these countries.

The plan for the expansion of co-operative insurance in the development countries is a logical consequence of the activities of the Re-insurance Bureau which is a form of co-operative collaboration at international level.

From a modest beginning during its first four years when the exchange of re-insurance contracts slowly rose to £400,000, its activities now comprise a premium volume of about £3 million, and 32 Co-operative Insurance Societies in 20 countries participate in its activities.

The offer of the Bureau to member Societies to provide adequate cover for their re-insurance is particularly advantageous for economically weak Societies in lesser developed countries.

The Co-operative Insurance Committee and its Re-insurance Bureau are excellent examples of how international co-operative collaboration and assistance to Co-operative Organisations in development countries can be assured by comprehensive planning and its concrete execution.

Appendices
to the
Report
of the
Central Committee.

Reports of Auxiliary Committees—

- I. International Assurance Committee.**
- II. International Banking Committee.**
- III. Committee of Representatives of Workers Productive and Artisanal Societies.**
- IV. International Committee on Agricultural Co-operation.**
- V. International Committee on Housing.**
- VI. Co-operative Wholesale Committee.**
- VII. International Co-operative Petroleum Association.**
- VIII. Co-operation in a Changing World—Summary of Documentation prepared for the Implementation of the Lausanne Resolution.**
- IX. Organisations affiliated to the I.C.A.**
- X. Membership Subscriptions for the years, 1960, 1961, 1962.**
- XI. Accounts and Balance Sheet for the years, 1960, 1961, 1962.**

Report of the International Co-operative Insurance Committee.

The Insurance Conference at Lausanne, on the occasion of the 21st Congress of the International Co-operative Alliance, was of outstanding interest.

In particular, it took the important decision to create a Sub-Committee, called the "Research Committee," to be assisted by a full-time Secretary for a minimum of one year. The Committee's mission was defined as follows -

"The Executive propose that a special Committee be created to study the future development of the Insurance Committee, especially as regards -

1. Technical assistance to newly developing countries, to assist them in the creation of Co-operative Societies which they do not as yet possess, without waiting for problematic requests from any particular group.
2. Joint investments of Co-operative Insurance Societies in some or other co-operative enterprises.
3. The exchange of personnel.

To enable the Executive to realise this programme, it should be empowered -

- a. To engage a full-time research officer for a period of one year.
- b. To appoint a committee of five or more members to collaborate with the research officer, to be responsible to the Executive for carrying out its task."

The appointment of this Committee took some time. It was necessary to give it a good geographical representation, and the Executive felt that, as far as possible, it was desirable to take new men.

Eventually it was composed of -

Two European delegates - Mr. Klas Back, Folksam, Stockholm; Mr. Benno Kalms, Raiffeisendienst, Germany.

Two American delegates - Mr. Robert A. Rennie, Nationwide, Columbus; Mr. Richard Schuurman, Self-Help Mutual Life Assurance Company, Chicago.

One Canadian representative - Mr. Alfred Rouleau, l'Assurance-Vie Desjardins, Lévis.

As regards the full-time Secretary, we at first considered the services of a member of the personnel of the International Labour Office (ILO) Geneva, or of the International Co-operative Alliance, but, in the end, the Executive chose Mr. William A. Hyde, an official of Nationwide, Columbus. It also asked one of its own members, Mr. Bowman Doss, to assure liaison with the Research Sub-Committee, and regular contacts have been maintained.

A report of nearly 200 pages has been written for the affiliated Insurance Societies, over the signatures of the members of the Executive and Research Sub-Committee.

We wish, here, to pay tribute to the members of the Sub-Committee and its Secretary for the quality and importance of their work; at the Conference at Bournemouth, we will have the opportunity of publicly extending the thanks they merit.

Already we can say that the Sub-Committee has finished its task, and the Executive will propose its dissolution at the Conference.

On the other hand, in accordance with the conclusions of the report, the creation of an Office for the Development of Insurance will be proposed to continue, in the practical field, the task undertaken by the Sub-Committee.

Re-Insurance Bureau.

It is not without interest to recall that, for a long time, our Committee has had an extremely active Sub-Committee – the Re-insurance Bureau.

Since the constitution of the Committee, more than 40 years ago, the problem of international co-operative re-insurance has been constantly foremost in the minds of our members. The creation of an International Co-operative Re-insurance Society was contemplated, but, for a number of reasons, it was decided in 1949 to create instead a Co-operative Re-insurance Bureau, the aim of which would not be to accept re-insurance on its own account, but to organise the exchange of re-insurance between the affiliated Societies. After some time, moreover, its activities extended beyond this limit.

During many years, the Bureau has considered that one of its principal aims is to promote the creation of Co-operative Insurance Societies in countries where they do not exist, and to guide their first steps. This guidance generally takes the form of technical advice and the organisation of the Societies' re-insurance.

Since the last Congress, the Bureau has actively pursued its work of prospecting and has made two important journeys to newly developing countries.

In 1962, it visited Turkey, Pakistan, India, Burma, Thailand, Malaya, Indonesia, Australia, Taiwan, Japan. In 1963, it went to Africa, and visited Tunisia, Nigeria, Tanganyika, Uganda, Kenya, Mauritius.

The first practical results of these visits soon became apparent, and will be reported at the coming Conference.

It should also be mentioned that, in the sphere of technical organisation, a Conference of European Co-operative Re-insurers was held at Brussels in 1962, with a view to amalgamating and facilitating their work.

Delegates of the following Societies took part in the Conference – De Centrale, Holland; Samvinnutryggingar, Iceland; Wiener Stadtische Wechselseitige Versicherungsanstalt, Austria; Folksam, Sweden; La Sauvegarde, France; Rhein-Main Rückversicherungsgesellschaft, Germany; La Prévoyance Sociale, Belgium.

The Common Market.

A problem engaging the attention of our members is the organisation of the Common Market and its repercussions in the field of insurance.

The gradual suppression of customs barriers will result in Societies being able to go out of their own countries and to work in the other countries of the Common Market on an equal footing with the respective National Societies, without having, as at present, to fulfil a number of administrative formalities and to deposit funds, sometimes large.

Already, one observes that a number of capitalist societies are going beyond their natural boundaries and preparing their sphere of activity in several of the six present Common Market countries.

What will be the attitude of the Co-operative Insurance Societies ?

Co-operation is opposed to capitalism: It has replaced competition and opposition of interests by collaboration and the suppression of the sources of conflict between men and nations.

What attitude shall we adopt towards the creation of the Common Market ?

The Bournemouth Conference will be called upon to express an opinion on this question.

Co-option of Members of the Executive.

At each Triennial Conference a new Executive Committee is elected and, nearly always, its constitution remains unchanged until the following Conference. But this time it is not so.

Of the seven members elected at Lausanne, two have left us – Mr. Mordechay Zilist of “ Hassneh,” Israel, who passed away to the great regret of everyone; Mr. Jack Midmore, Canada, who left the profession and, consequently, the Insurance Committee.

Such circumstances could, of course, occur again, but it is undesirable, between two Congresses, that the Executive might be considerably reduced in number. For this reason, the following amendment to the rules will be proposed to the Conference –

“ In the event of one or several vacancies occurring on the Executive Committee as a result of death or termination of service with an affiliated Society, the remaining members shall have the power to co-opt a person, or persons, employed by one or more affiliated Societies to fill the vacancy, or vacancies, until the next Insurance Conference. The co-opted members need not necessarily be in the service of the same Society, or Societies, in which the members who have left the Committee were employed.”

Affiliated Societies.

Since the last Conference, we have had the pleasure to admit new Societies to membership, and our Committee now includes 54 Societies, representing 20 countries on four continents. Today, only Africa has not a Co-operative Insurance Society, but the recent visit of the Re-insurance Bureau encourages us to hope that this situation will be changed in the years to come.

From the statistical information received each year by the Secretariat and communicated to the members, we can state with great satisfaction that nearly all Co-operative Insurance Societies in the world are experiencing an encouraging expansion.

Premiums total £291 million or about 800 million dollars, and, according to the statistics of the International Co-operative Alliance, the Societies insure about 55 million persons.

In conclusion – we give the **Agenda of the Bournemouth Conference** –

1. Minutes of the last Conference.
2. Report of the Secretary.
3. Report of the Research Committee presented by Mr. B. Doss.
 - a. Co-operative Insurance in Developing Countries, introduced by Mr. N. A. Kularajah.
 - b. Exchange of Personnel, introduced by Mr. K. Back.
 - c. Joint Investment Programme, introduced by Dr. R. A. Rennie.
 - d. Future Developments of the Insurance Committee, introduced by Mr. S. Apelqvist.
 - e. Conclusion – Comments by Mr. R. Dinnage.
4. Proposal for establishing an International Co-operative Insurance Holding Company, by Mr. B. Doss.
5. Report of the Re-insurance Bureau, by Mr. J. L. Nuttall.
6. Problems of the Common Market, by Mr. H. Lemaire.
7. Affiliated Societies.
8. Financial Statement and Budget, presented by Mr. H. Lemaire.
9. Amendment to Article 4 of the Rules.
10. Election of the new Executive.
11. Pension Schemes as a Complement to Social Insurance for Employees of Co-operative Societies. Memorandum submitted by Mr. S. Guldberg (for information).
12. Other business.

Our Conference in October promises to be extremely fruitful. We hope that the realisations will equal the promise.

HENRI LEMAIRE,
Secretary.

Report of the International Co-operative Banking Committee

Since the Banking Conference at Lausanne on 7th October, 1960, two meetings of the Banking Committee have been held, at Stockholm on 7th July, 1961, and at Tel-Aviv, on 3rd October, 1962.

From the figures submitted by the Secretary it appears that in the period 1959-1961 the total assets of the eleven reporting Banks had increased from \$1,650 millions to \$2,158 millions, and from the figures so far available it is evident that there was a further substantial improvement in 1962. The turnover (activity) of these reporting Banks also increased substantially.

On the other hand, as regards the business transactions between the Banks over national boundaries, little improvement occurred, only about 10 per cent of the international financial transactions passing through co-operative channels.

In July, 1961, Mr. L. Cooke announced his resignation from the Committee, as a consequence of his appointment as President of the C.W.S. He was succeeded by Mr. W. Quincey.

At the Meeting of the Committee at Tel-Aviv the view was strongly expressed that the time was ripe for the establishment of an International Co-operative Bank, and a Sub-Committee was appointed to discuss with the existing International Co-operative Bank at Basle the possibility of strengthening its capital structure and so permitting the extension of its activities. A number of meetings have been held and it is hoped that a decision will be reached shortly.

S. TYLDESLEY,
Secretary.

Report of the International Committee of Representatives of Workers' Productive and Artisanal Co-operatives

Meetings.

During the three years since the Conference at Lausanne on the occasion of the 21st Congress of the I.C.A., the Committee has met at Stockholm, July, 1961, Scheveningen, April, 1962, and will meet again at Bournemouth.

Workers' Productive and Artisanal Co-operatives and Developing Countries.

In his Report to the Conference at Lausanne in 1960, Mr. Charial, Chairman of the Committee, stressed the problems of the development of Production Co-operation in countries which are in the course of acquiring a modern economy. He affirmed the need for action by our Committee in aid of new Co-operative Movements.

On the basis of the Chairman's statements, two decisions were taken –

The first, proposed by Mr. Beretta, concerned the publication of a compilation of the laws and rules which govern Workers' Productive Co-operatives in countries where they have attained a certain development in order to enable the youngest Movements to draw inspiration and guidance in choosing the system of legal regulation which most closely conforms to their needs and objectives.

The second, on the proposal of Mr. Lacour, concerned the publication – at irregular intervals – of a Bulletin intended primarily for the co-operators of countries in the course of economic development, to inform them of the most successful experiments and of the reasons for their success.

These two proposals have not been realised in spite of the efforts of the Secretary. As a matter of fact, with regard to the first, the insufficiency of available information precludes a publication of practical value, while the second demands resources beyond those at the Committee's disposal.

At the Stockholm meeting when the question was reconsidered, the General Confederation of Workers' Productive Societies of France agreed to undertake the preparation of a comparative legislative table. Since then the project has progressed a little, but not to a stage where the document could be published.

As regards the Bulletin, all we could do was to appeal to the I.C.A. Executive to take the idea into consideration and refer it to a competent sub-committee.

At the same meeting, on the proposal of Mr. Antoni, it was decided to prepare a pilot project to be put into effect in a country in the course of economic development and the Secretary of the Committee was instructed to draft a document

to be submitted for I.C.A. approval. The General Secretary affirmed that everything possible would be done to assure that a representative of our Committee would be invited to collaborate with the Technical Assistance Sub-Committee and receive the necessary guidance.

Our Committee was, in fact, invited to participate in the meeting of the Technical Assistance Sub-Committee held at Scheveningen when the pilot project for Somalia was presented.

During our meeting at Scheveningen on 30th April, the Secretary reported his meeting with the Sub-Committee and the pilot project was approved. There, for the moment, the matter rests.

Meanwhile, the Technical Assistance Sub-Committee approached the I.C.A. Regional Office for South East Asia as regards the interest of Asiatic Movements in industrial Co-operation and, from the information received, it seems that most of the new Movements in these countries are definitely interested.

Therefore, the General Confederation of Workers' Productive Societies of France has published a brochure on Production Co-operatives and the industrialisation of new nations, which contains a collection of lectures delivered on various occasions all of which are devoted to countries in the course of economic development.

The brochure, entitled "Productive Co-operation and the Industrialisation of Developing Countries" has a preface by Mr. Chariol, our Chairman. It makes reference to the question of a concise study of comparative law, and will certainly be useful to Co-operative Movements in the process of being formed.

Finally, the Secretary of the Committee and certain affiliated Federations, the French, Israeli, Czechoslovakian, have furnished information and advice direct to young Organisations in the course of formation.

The problem of the development of Workers' Productive and Artisanal Co-operation among new nations thus remains one of the principal objectives of our Committee.

New Members.

No new affiliations have been received since the Conference at Lausanne, but participation in the work of our Committee will increase when the importance of, and the possibilities offered by, Workers' Productive and Artisanal Co-operation has been manifested to the newly created national Organisations.

Monographs.

The publication of monographs dealing with particular trades continues. In 1960, the monograph concerned the leather, textile and clothing industries, and in 1961, the wood industry. The next monograph on Workers' Productive and Artisanal Co-operatives in the foodstuffs industry, a subject dealt with at Scheveningen, is being prepared. Another monograph will follow, on "Prospects of Co-operation in the Liberal Professions," a question which is on the Agenda for the Bournemouth Conference.

Already the collection of published monographs represents a valuable source of documentation for both new and old Organisations.

Technical Problems of Building and Collaboration with the I.C.A. Housing Committee.

Since the problem of building houses is of equal importance to our Committee and the I.C.A. Housing Committee, experiences were exchanged at a meeting at Lausanne in October, 1960, with the object of enabling the technicians of Workers' Productive Societies and technicians of Housing Co-operatives to compare the systems of low-cost house building employed in different countries, as well as the results of the different systems from the standpoint of the enterprise and that of the customer.

It has not been possible to arrange further meetings with the Housing Committee and consequently our Committee has continued its study of problems relating to the building industry independently.

At Stockholm, the principal subject under examination was "Limits of the possibilities of prefabrication in the building of houses and experiences of rationalising the diverse phases of building"; at Scheveningen, "The utilisation of different materials and the co-ordination of different building activities employed in housing" was studied with special attention to the "co-ordination of these activities with other industries."

The participation of highly qualified technicians in these discussions resulted in an interesting comparison between the methods employed in different countries, to the benefit of all participants, and, as a result of this collaboration, some important projects are actually in operation in certain European countries. It is hoped that, in the future, similar comparisons will be extended to other branches of industry in which Production Co-operatives exist.

Exchange of Technicians and Experiences has been continued in all sectors, of special importance being those between Italy, France, Sweden and Holland.

Relations of the Secretariat with Other Organisations.

Since the last Conference, close relations have been maintained between the Secretariat of the Committee and Organisations in France, Mexico, Israel, Chile, India, Switzerland, Sweden and Malta.

Cordial relations have also been established with Organisations in Federal Germany.

During a recent visit to Egypt, Mr. Mondini had an opportunity of making contact with Workers' Productive and Artisanal Co-operatives.

Statistical Data.

Following a decision at Scheveningen, the Secretary submitted statistical formulas for study by all the member Organisations, and the help of the I.C.A.

is sought to obtain data of Organisations which no longer participate in our work. In this way we shall have a complete table of the activities of Workers' Productive and Artisanal Co-operatives throughout the world.

Current Problems.

Amongst numerous current matters or projects which have not yet come to fruition through lack of means, we would draw attention to the achievement of a pilot project and the establishment of regular relations with the Housing Committee.

In many countries where Workers' Productive Co-operation could render tremendous service, it is, in fact, non-existent. The Co-operators of the most advanced Movements still have not made the best possible use of their technical contacts and commercial potentialities. Fishery Co-operatives have scarcely begun to understand the food situation in the world of tomorrow. Co-operation among the disabled remains on the Agenda, no longer, we hope, as a means of temporary aid to those disabled in war or at work, but as a method of re-education and permanent re-habilitation of all social misfits. Therefore, in spite of the modest results achieved, our Committee should not consider its efforts wasted.

Conclusion.

Here must be mentioned the eternal question of resources. The Committee functions without a budget and, so far, all our activities – travelling, correspondence, publications or simple circulars – have been the charge of our President and Secretary. These resources are limited; moreover, in an international body it is not desirable for too great financial dependence to rest on any one Organisation.

Naturally, being limited in this way, we turn to the I.C.A. But we fully realise that, in spite of its complete sympathy, demonstrated on many occasions, the Alliance itself is so restricted in its own work that we must not expect too much help for our sector:

These facts must be recorded, without useless recriminations, and, at the same time, we must try to improve the situation.

When we decided, in 1952, to revive our Committee, virtually all that existed between Workers' Productive and Artisanal Co-operatives affiliated to the I.C.A. were friendly contacts at long intervals.

We have succeeded in amassing a fairly considerable documentation, in bringing about the regular exchange of views, in obtaining some exchanges of experiences and techniques and also some minor commercial results.

Compared with our ambitions, all this does not amount to much, but when compared with the means at our disposal it is considerable. With patience and the devotion of all concerned, we may hope to achieve far more.

E. MONDINI,
Secretary.

Report of the International Committee on Agricultural Co-operation

The development of the activity of the Agricultural Committee as it was envisaged three years ago has not been wholly realised. There are several reasons for this disappointment.

Ever since the Committee was constituted, the need to enlarge its membership has been apparent, and this continues in spite of the growing importance of the agricultural sector within the I.C.A. Another reason has been the lack of continuity of participation in its work and in the meetings of the Committee.

The resignation in 1962 of Mr. G. Davidovic, appointed in 1957 as Secretary for Agriculture, has also impeded the work of the Committee, more particularly as up to the present time a new appointment has not been possible.

Following the Lausanne Congress, Mr. Davidovic prepared valuable Reports on - i. The Promotion of Co-operation in Lesser Developed Countries; ii. Co-operation in a Changing World from the Agricultural Standpoint and with Regard to the Resolution of the Lausanne Congress on this Subject; iii. Agricultural Credit and Co-operative Banking; iv. Financial Mobilisation for a Food Strategy.

The first and third of these Reports were published in the "*Review of International Co-operation.*"

The Report on Co-operation in a Changing World covered a very wide range of problems, including Credit Co-operatives, Agricultural Co-operatives, Marketing Co-operatives, Agricultural Co-operation, Supply of Farm Requisites, Co-operative Farming, Rural Welfare. After discussion in the Agricultural Committee, where it met with some criticisms, especially as regards its treatment of the question of Co-operative Farming, the Report was submitted to the Central Committee as a contribution to the documentation for the implementation of the Lausanne Resolution. After a long discussion, in which criticisms were made of some of the views expressed, the Paper was referred back to the Agricultural Committee with the recommendation of the Central Committee that it be regarded as a study document.

Action taken on the Report on Financial Mobilisation for a Food Strategy, under the new title of An International Bank for Food, Agriculture and Co-operation, is mentioned in the section of the Central Committee's Report to Congress - The I.C.A. and the United Nations on page 47 - and although the idea of the establishment of an International Bank was not accepted, it is generally recognised as having inspired the important decision subsequently taken by the Director-General of FAO to initiate an investigation into the question of the Financing of Agricultural and Co-operative Development, having regard to the long-term results of the Freedom From Hunger Campaign, about which the Congress is fully informed.

A monthly *Agricultural Co-operative Bulletin*, initiated by Mr. Davidovic, has received much appreciation and its circulation is increasing.

The series of Conferences on Importation and Exportation, introduced in 1960 by the organising of the Conference at Aarhus on Importation and Exportation of Dairy Produce, have continued. A successful Wine Conference was held at Cagliari, Sardinia, in September, 1961, at the invitation of the I.C.A.'s two Italian member Organisations, Confederazione Cooperativa Italiana and Lega Nazionale delle Cooperative e Mutue; and the following year a Conference on Tea, Coffee and Cocoa Marketing was convened in London on the invitation of the English and Scottish Joint Co-operative Wholesale Society, which was equally successful and included in its participants representatives of the Nigerian Cocoa Marketing Co-operatives and the Co-operative Coffee Growers of Tanganyika.

The next Conference in 1964 will be concerned with the Import and Export Trade in Fruit and Vegetables.

Membership of the Committee.

As mentioned in the Central Committee's Report, several Agricultural Co-operative Organisations have affiliated since the last Congress, including the important Federation of Swedish Farmers' Associations, the National Agricultural Marketing Federation of New Delhi, Wine Products Co-operative Marketing Union of Cyprus, and the Farmers' Central Co-operative Society of Malta. Naturally, it is hoped that in the very near future these Organisations will participate in the work of the Agricultural Committee to its advantage.

The Triennial Conference of the Committee will take place at Bournemouth before the Congress and has, as the main theme of its Agenda, the all-important problem of Integration, which will be discussed from two aspects - Integration of Agricultural Co-operative Organisations and Integration of Agricultural with Consumers' Co-operative Organisations.

The Conference at Bournemouth will be the last meeting of the Agricultural Committee to be presided by **Mr. A. Axelsen Drejer**, who, since the establishment of the Committee in 1951, has not only been its Chairman, but has ceaselessly encouraged and inspired its work.

Mr. Drejer's retirement will also be a great personal loss as he is one of the best known, respected, as well as qualified, Agricultural Co-operative Experts.

It will be very hard to replace him as Chairman of the Committee and, in any case, his long and wide experience and his wise counsels will be greatly missed.

G. F. POLLEY,
Secretary.

Report of the International Co-operative Housing Committee

Chairmanship.

Following the resignation of Mr. Herbert Ashworth from the Chairmanship of the Committee which he announced at the Lausanne Conference, the Deputy Chairman, Mr. Sven Kypengren, President of HSB, Stockholm, acted as Chairman until the meeting of the Committee at Stockholm in July, 1961, when he was unanimously elected to the Chair. At the same meeting, Dr. E. Bodien, Gesamtverband, was appointed to succeed Mr. Kypengren as Deputy-Chairman.

The Constitution of the Committee.

For some time past, the members of the Committee had given thought to the desirability of revising its Constitution with a view to assuring continuous and expanded activity. The question had been upon the Agenda of several meetings of the Committee and of the Executive and eventually a new text was accepted which was later approved by the Authorities of the Alliance.

Provision is made within the framework of the new Constitution for the setting up of a Special Secretariat, to work in close collaboration with the Secretariat of the I.C.A. in London, and to undertake the more technical and special tasks according to a Working Programme approved by the I.C.A. Secretariat.

The new constitution also provides for the establishment of a Budget to which all the Organisations participating in the work of the Committee have been invited to contribute.

The new Secretariat was established at Stockholm, with Mr. A. Johnsson of HSB as Secretary; HSB is providing accommodation, as well as full facilities for the carrying out of the tasks involved.

Membership.

Since the Lausanne Conference, the membership has been strengthened by the affiliation, first with the I.C.A. then with the Committee, of la Société coopérative musulmane algérienne d'Habitation et d'Accession à la Petite Propriété, of Algeria; and two French Organisations, l'Association Bâticoop, and Confédération des Coopératives de Construction et d'Habitation, both with headquarters at Paris.

Future Programme of Work.

Under its new constitution, and with the establishment of the Special Secretariat, the Committee has been able to draw up a Programme of Future Work.

Publications have a prominent place in the Programme and already this year the Special Secretariat has prepared the first two issues of a *Housing Bulletin* in three editions, English, French and German.

Earlier, the first Brochure of the Committee was put into circulation containing factual information of the member Organisations.

Other publications are being considered in which it is hoped to have the collaboration of the I.C.A. Secretariat.

The promotion of Co-operative Housing in development countries is constantly under consideration and the Committee are very mindful of the appalling need which not only exists but is increasing. Some help has been given in the form of study courses for Co-operative Housing officials from the Movements in development countries, and through its contact with the Regional Office of the I.C.A. at New Delhi, the Committee has contributed information to Conferences and Seminars on Housing, organised by the I.C.A. Education Centre.

Collaboration with the UN and its Organs in the Field of Housing.

During the period under review, the Committee has placed in the forefront of its activity the expanding opportunities of collaboration with the United Nations and its Organs in the field of Housing. Whereas formerly one member of the Committee undertook the representation of the I.C.A. in the work of the Housing Committee of ECE, the increasing possibilities of participation have necessitated the appointment of a second representative.

Members of the Committee have also joined the I.C.A.'s permanent representative at Geneva at Conferences of the ILO, at which housing problems were considered.

One of the important questions on the Agenda for the Lausanne Conference was the desirability of a more concerted activity of the UN Bodies within the field of Housing, which would justify the creation of a Special UN Agency for Housing, similar to those already in existence for Food and Agriculture, Education and Culture, Health, etc.

Following the Conference, this question was included in several statements submitted by the I.C.A. to Inter-Governmental Conferences, where it was seen that certain sympathetic support was forthcoming from the representatives of other Non-Governmental Organisations.

The Central Committee of the I.C.A., at their meeting at The Hague in April, 1962—after receiving a Report on action taken during the preceding year on behalf of the Alliance in support of the desire for a UN Agency for Housing, and also having received a Report from Mr. Dwight Townsend, a member of the Housing Committee, who addressed the Spring meeting of the UN Social Commission at which it was decided to appoint a Standing Committee on Housing, Building and Planning—sent a telegram to the Social Commission, welcoming this decision, but declaring the belief that only through the work of a UN Housing Agency could the world housing problem ultimately find a satisfactory solution.

This conviction of the I.C.A. has been repeated on several more recent occasions and again supported by other Non-Governmental Organisations, particularly the ICFTU.

In the ECE Housing Committee, the housing problem is dealt with under many different aspects, so that it has been found practical for the I.C.A. representatives to take a stand on those which have the most direct bearing upon Co-operative Housing. Two of these aspects are – the new conception of housing and the land problem, both of which will be the subjects of study in the coming years, the particular approach to the first being the contribution which the Co-operative Movement can make to the cultural and educational aspects of housing.

The Triennial Conference on Housing, which is being organised at Bournemouth in connection with the Congress, will have upon its Agenda the question of How to Promote Co-operation in an Expanding Economy and Society, also Collaboration with the UN and its Committees with Special Reference to Housing in the Developing Countries.

The question How to Promote Co-operative Housing in an Expanding Economy and Society obviously has special reference to the complexity of problems revealed by the Paper submitted to the I.C.A. Congress at Lausanne by Dr. Bonow on Co-operation in a Changing World.

The discussions at Bournemouth on these two questions promise to lead to practical decisions and a further expansion of the work of the Housing Committee in the years to come.

G. F. POLLEY,
Secretary.

Appendix VI.

Report of the Co-operative Wholesale Committee

The Committee was formed in 1956. Its membership, which has remained unchanged since the Lausanne Congress, consists of the following Co-operative Wholesale Societies –

- Co-operative Wholesale Society, Ltd., Manchester.
- Co-op Nederland, Rotterdam.
- Faellesforeningen for Danmarks Brugsforeninger, Copenhagen.
- Grosseinkaufs-Gesellschaft Deutscher Konsumgenossenschaften, Hamburg.
- Grosseinkaufsgesellschaft Österreichischer Consumvereine, Vienna.
- Hamashbir Hamerkazi, Tel-Aviv.
- Kooperativa Förbundet, Stockholm.
- Norges Kooperative Landsforening, Oslo.
- Osuustukkukauppa, Helsinki.
- Samband isl. Samvinnufélga, Reykjavik.
- Scottish Co-operative Wholesale Society, Ltd., Glasgow.
- Société Générale Coopérative, Brussels.
- Société Générale des Coopératives de Consommation, Paris.
- Suomen Osuuskauppojen Keskuskunta, Helsinki.
- Verband schweiz. Konsumvereine, Basle.

The Management Sub-Committee has the following composition – Mr. Heinrich Meins, President (Germany); Mr. Leonard Cooke (England); Mr. Ebbe Groes (Denmark); Mr. Harry Hjalmarson (Sweden); Mr. André Vuilleumier (Switzerland).

During the period under review, five Members' Meetings have taken place, and eight Meetings of the Management Sub-Committee.

According to its Rules, the C.W.C. is an organisation for the promotion and intensification of the efficiency of the Consumers' Co-operative Wholesale Societies. Its objects are to collect and distribute information, to foster, develop and promote trade and trading relations between Co-operative Societies in all parts of the world.

The exchange of experience and information takes place partly in the form of inquiries and investigations concerning matters of common interest, partly within Working Groups of specialists set up for this purpose. During the past three years inquiries have been conducted about co-operative exports, the construction and management of supermarkets, and co-operative exchange of goods with developing countries.

During the same period, the working group of co-operative milling experts has held three meetings, the working group of co-operative soap and detergent factories three, the working group of co-operative chocolate and sugar confectionery factories, two, the working group of the chiefs of co-operative food laboratories, two, the working group of co-operative footwear factories, two conferences, and the working group on frozen foods one conference. A joint conference of the co-operative working groups of architects and experts in organisational matters has discussed problems concerning the erection and organisation of warehouses. Other conferences held under the auspices of the C.W.C. were concerned with packaging matters, problems of the co-operative oil and margarine industries, and also fish-processing and the distribution of fish products. The last-mentioned conference was convened by the Norwegian Wholesale Society.

For several years past, the C.W.C. has been following with close attention the changes taking place in the social and economic structure of the countries represented on the Committee and, generally speaking, in the pattern of commodity distribution. The Wholesales in membership have presented extensive reports on the measures taken, or planned, by them to adapt the structure of their respective Movements to the existing conditions and these reports have been discussed in detail by the various organs of the Committee. As a result of these discussions the Management Sub-Committee submitted to the Members' Meeting held on the 30th April, 1962, a series of recommendations which were unanimously accepted as common lines of action for the future.

Another matter of paramount importance, extensively dealt with by the organs of the C.W.C., was the question of closer collaboration between the members in the fields of production and trade in case of further economic integration of Western Europe, and the creation of an institutional framework for such collaboration. It is generally known that the Co-operative Organisations of the EEC countries set up, several years ago, the "Community of National Consumers' Co-operative Organisations of the Common Market" and that, after the establishment of the European Free Trade Association, the Co-operative Wholesale Societies of the

area formed the "EFTA Working Group." When Great Britain, Denmark, Norway, Sweden, Austria and Switzerland applied for admission in one form or another to the Common Market, it became necessary for the CWC to make preparations for the possibility that the endeavours towards the extension of the EEC would be successful. A plan of action submitted by the President was approved in principle by the Management Sub-Committee and the Members' Meeting, but the delay in the negotiations between the Governments concerned made it impossible to put it into effect. These difficulties and delays became particularly evident when the negotiations for the entry of Great Britain into the Common Market broke down. At its meeting held in London on 31st January, 1963, the Management Sub-Committee discussed the new situation and came to the conclusion that the C.W.C. should continue its activities.

A special question closely connected with the problem of future collaboration within an expanded Common Market is how the Co-operative Movement can maintain regular contacts with the EEC authorities and obtain representation on its advisory committees. As a temporary solution of this question the Wholesales situated within the countries of the Common Market have set up a "Committee of the European Production and Wholesale Centres of the Consumers' Co-operatives," the membership of which will be open to the Wholesales of all the countries that will join the Common Market.

DR. G. KELER,
Executive Secretary.

Appendix VII.

Report of the International Co-operative Petroleum Association

In May, 1963, the I.C.P.A. flag was raised over a lubricating oil blending plant in Dordrecht, The Netherlands, signifying the first co-operative petroleum manufacturing facility on a truly international basis. Diplomatic representatives from 15 countries attended the ceremonies, also representatives of many of the members of the I.C.P.A. and a number of other guests.

The plant itself is one of the most modern in Europe and is designed to process 7,500 tons of lubricating oil under normal operating conditions. This quantity can be expanded considerably with very little additional investment in the plant. Additional land has been purchased adjacent to the property and an attempt is being made to secure an option on another tract adjoining the newly acquired one in order that expansion activities can be carried out and it can become a truly co-operative petroleum centre for Europe.

Many activities have been carried on by the I.C.P.A. since the Lausanne Congress, but the installation of the blending plant in Dordrecht has certainly been one of the major achievements. Proposals are now under study for the

I.C.P.A. to join with members in three or four other countries to construct similar plants to serve the lubricating oil requirements of those countries. At the same time projects are also being considered that would involve I.C.P.A. participation in refineries in at least two countries.

At the meeting in Lausanne, it was announced that I.C.P.A. would join with others in a search for crude oil in Libya. Since that time a group consisting of Co-operatives in Sweden, Holland and the United States, with an independent oil producer in U.S.A., has been formed for this purpose, with operating headquarters in Tripoli, United Kingdom and Libya. Last year this group joined with Libyan nationals in organising and chartering the National Oil Company of Libya, a new concept in crude oil development. This company has no governmental ownership and is controlled 51 per cent by nationals of Libya so that for the first time a non-governmental group in an oil producing country has a majority interest in developing the crude oil reserves of its own country. It is interesting to note that this new concept was so well received that the shares of stock for Libya were substantially over-subscribed. No new concessions have been granted by the Government of Libya since the formation of the co-operative group, but it is expected that concessions will be open for bidding by the end of 1963, or early 1964, and that the co-operative group may then secure favourable concessions. A considerable amount of geological work has already been done but further development must await actual concession grants.

The Pakistan Co-operative Petroleum Association Limited, the Indian Oil Company, the Ceylon Petroleum Corporation, Handelsgesellschaft fur Kraftfahrzeugbedarf of West Germany, and Midland Co-operatives, Inc., of the United States have all applied for and been accepted into membership of the I.C.P.A. since the last Congress. All of these Organisations are substantial petroleum marketers, in some cases producers, and have added vast strength to the over-all I.C.P.A. organisation through their association with it. It is anticipated that other new members will be joining very shortly.

In delivery of normal products, the past year has been a very favourable one with over-all dollar volume being approximately four times greater than the preceding year. The increase in net savings to be returned to the members is similarly greater, and it is hoped that additional savings can be realised as a result of the expansion of facilities in Europe. Consideration is being given to the handling of products related to petroleum, such as fertilisers and agricultural chemicals. Particularly in the developing countries the demand for fertiliser is very great and this demand will continue to increase for many years. In this regard, it is interesting to note that one of the major oil companies is this year investing more than one hundred million dollars in the construction of fertiliser plants throughout the world.

A great deal of work has been done in the South-American countries. The first shipment of oil by I.C.P.A. to South America was made last year to a transport co-operative in Lima, Peru. Much organisational and promotional work must be undertaken in this area but the potential and the opportunities are tremendous for co-operative petroleum activity. The United States Department of State is putting increasing emphasis on the use of Co-operatives as a tool for reaching people,

especially in the Latin American area, and the I.C.P.A. has maintained a close contact with the State Department and the various co-operative agencies on this programme.

Constant relations have also been maintained with the appropriate officials of the United Nations and of the various oil producing and oil consuming countries to promote wherever possible the use of Co-operatives as a means of reducing the potential of oil as a threat to world peace. It is hoped that, in the near future, it may be possible to implement this work by an effective organisation that will represent both producers and consumers on a co-operative basis. Such instrumentality would be of great benefit to areas with an over-abundance of oil as well as to those with a scarcity and, at the same time, would tend to reduce the friction that oil production and marketing has caused in the past.

Howard A. Cowden of the United States continues as President of the I.C.P.A., and A. C. F. Hendrikse of The Netherlands as Vice-President. Other Directors are – Arne Carlsson, Sweden; A. Vuilleumier, Switzerland; Rene Orsini, France; Mahmoud Younes, Egypt; Albert Wild, England; Robert Taylor, Scotland. The headquarters of the I.C.P.A. are located at 11, West 42 Street, New York.

Organised in 1947 to unite the Petroleum Co-operatives of the world in a common expansion of their oil activities, the I.C.P.A. continues its work in this field with the assistance of its members around the globe. Only through an expansion and extension of this work can Co-operatives become truly integrated, be in a position to compete with major oil companies and serve the best interests of their own co-operative members. The opportunities that exist for co-operative petroleum development are greater today than they have ever been. This is especially true in the developing countries where the energy requirements in the years ahead will be of staggering proportions, and where the leaders of those countries are looking to Co-operatives to supply the marketing apparatus that will enable them to serve effectively their populations at a fair price and under the control of their own countries. Co-operatives today represent the greatest single economic force in petroleum marketing development. Through the I.C.P.A. these challenges can be met and the growth of the world co-operative petroleum movement assured.

WAYNE McCANN,
Secretary.

They are looking toward the starting of a Blantyre Plant in India.

Co-operation in a Changing World

Summary of Documentation prepared for the Implementation of the Lausanne Resolutions.

The Lausanne Congress unanimously adopted the Resolution on Dr. Bonow's Paper "Co-operation in a Changing World" in which he had examined the Movement as a means by which the co-operatively organised members safeguard their fundamental, social and economic interests. The way co-operators set about this and the types of co-operative enterprises which emerge as a result are the response to transformations in economic and social conditions. At the time of the Congress Dr. Bonow distinguished a series of economic and technological changes of significance in the Co-operative Movements of the western welfare states -

Changes in the Distribution of Population; Expansion of Private Motoring; Rising Standards of Living; Increased Leisure; Full Employment; Technical Developments of Importance in Distribution; Competition from Large-Scale Private Distribution; State Legislation Conditioning the Economic and Social Climate.

He also noted the emergence of regional economic groupings which have repercussions for the Co-operative Movement.

Structural changes such as these required, he argued, that the Movement adapt itself by reforming its forces and becoming operationally more effective. Adaptation by structural change required collaboration across national boundaries regionally and globally. The Movement should not, he stated, approach adaptation passively; to protect the economic and social interests of its members, co-operative enterprise must try to anticipate developing trends nationally and internationally, and, as far as possible, take action earlier than competing private enterprise.

The Resolution contains five recommendations which are quoted in the Report, page 26.

Congress instructed the Central Committee, through the Auxiliary Committees and the expansion of its own services, to support the efforts of the affiliated Organisations to implement these recommendations.

The Committee was also urged to take the initiative in promoting closer contact with the United Nations Organisation and its Specialised Agencies, as well as with other International Non-Governmental Organisations having similar aims to those of the I.C.A., with a view to united efforts to liberalise trade, and to develop unused economic resources to the betterment of living standards throughout the world.

Following Through.

Since the Congress a series of enquiries have been undertaken to establish what efforts affiliated Organisations were making to implement the recommendations; some enquiries were made directly to the Organisations, others through the Auxiliary Committees. In this Appendix the relevant material made available to the Secretariat through these enquiries is summarised.

Co-ordination for Efficiency.

The first of the recommendations was for the co-ordination of activity so as to achieve efficiency in production, distribution and finance.

Financial Resources.

The Secretariat made an enquiry by questionnaire to establish what methods had been adopted by the National Movements to obtain increased financial resources for the huge investment programmes which structural changes bring in their train.

Organisations were asked to explain the measures they had taken to obtain larger contributions from members' savings in the form of share capital, deposits, bonds, and dividends allowed to remain with the Society. From **Austria, France** and **Sweden** it was reported that the minimum shareholding requirement has been increased, and additional shareholding subscribed through retention of dividend. In Sweden a special family savings account has been introduced into which dividend on purchases in excess of 3 per cent is transferred and blocked. In **Norway** share-capital is a relatively small part of the Movement's financial resources; loans from members are more significant a proportion of which are "compulsory loan deposits" built up by the retention of interest and dividend; the greater part of the deposits are voluntary loans and from time to time campaigns are organised to encourage members to make deposits. In 1962-63 N.K.L. is collaborating with District Societies in a deposit campaign in which the co-operative press, films, posters, pamphlets and other means of publicity are being used. An important aspect of the campaign is that in July, 1962, a Retail Societies' Guarantee Fund (Samvirbelagenes garantifond A/L) was created which provides security for the voluntary deposits placed with Retail Societies. The capital of the Fund is subscribed by Retail Societies and N.K.L. in relation to turnover. Greater security is expected to encourage members to make deposits in Societies in need of capital.

In **Holland** and the **United Kingdom** additional capital for the Consumer Co-operative Movements has been found through bond schemes.

In **France** Consumer Societies are making increasing use of the Banque Centrale des Coopératives for their short term needs. The Guarantee Fund (Caisse de Garantie) which was started before the war, has grown sufficiently to form the source of short and long term loans to Societies. Increasing use is being made of the Central Bank for Co-operative Credit (Caisse Centrale de Crédit

Coopératif) which receives annual state grants and makes loans for the development of newer forms of retailing. It is anticipated that the recently founded Insurance Society, La Sauvegarde, will become a further source of finance.

In **Czechoslovakia** Producer Co-operatives established a long-term credit fund in 1953, composed of two elements: temporary deposits from Societies and an allocation of 20 to 30 per cent of their net annual profits. Loans are made at a low or nil rate of interest. The resources of the Fund are considered sufficient to cover the long-term credit needs of all the Producer Co-operatives.

In **Switzerland**, in 1960, the Co-operative Central Bank of V.S.K., Consumer Co-operatives, Professional Associations and Trade Unions and the Coop-Leben founded a Co-operative Investment Fund. The Fund divides deposits received between savings accounts and life insurance premiums, thus those saving with the Fund simultaneously hold a share in its securities and in an insurance policy.

In **Sweden**, K.F. has introduced a system of mortgage bonds, the real estate of Societies being the security against which the mortgage bond is issued. A suggestion of the Capital Enquiry Committee for a 5-year loan to K.F. against which bonds would be issued, earning interest at a rate of 1.25 per cent above the current K.F. savings fund rate of interest, has been adopted.

Two interesting new institutions in the financial field in the **U.S.A.** are the M.C.M. Corporation and the Fifty States Mutual Fund. The M.C.M. Corporation is controlled by Midland Co-operatives, Incorporated, and Central Co-operatives, Incorporated, of Minneapolis, and Mutual Services Insurance Companies of St. Paul. The basic purpose of the Corporation is to release the capital of Co-operatives tied-up in properties for use as working capital. This is achieved by M.C.M. buying the properties of a local co-operative and leasing them to a regional co-operative, which in turn assigns them to the local co-operative. The regional co-operative is the primary lessee and is always liable under the lease. M.C.M. has been able to borrow up to 75 per cent of the value of the properties from Mutual Service Insurance Companies – the balance is found by the local co-operative and takes the form of debenture stock in M.C.M. Leases run for about two-thirds of the useful life of the property. Rentals are rebated to the extent of 90 per cent of the difference between the amortization rate of the cost of the facilities and the depreciation rate of the fixed facilities. The local co-operative can exercise an option to re-purchase at the mid-term or end of the lease. The scale of M.C.M. operations has grown rapidly without promotion or full-time management; so far they have been restricted to real estate but purchase and lease-back of other assets (offices, service stations, automobile and truck fleets) is not ruled out. The net margin from the use of capital realised in this way to finance inventories and accounts receivable by local co-operatives should be greater than anything that ownership of real estate might yield.

While M.C.M. assists co-operatives to make best use of available capital, the Fifty States Mutual Fund which is in course of development is intended to mobilise more of the savings of individual co-operators for investment in co-operative institutions. A Mutual Fund enables people to pool their money and obtain professional management for a diversified group of investments. The Fifty States Fund is a balanced mutual fund – a balance is sought between common stock for

growth and income and fixed income investments of dependable yield. Part of the Fund's investments are in co-operative securities, but since these do not provide a hedge against inflation it includes corporate common stocks, thereby securing both income and a degree of growth which would not be obtained from co-operative securities alone.

The distribution, underwriting and management of the Fund is in the hands of Inter-Regional Securities Corporation, which is wholly-owned by the Co-operative Finance Association of America - membership of which is open to any co-operative. The Board of the Mutual Fund has a majority of non-affiliated directors (several are academicians) who assist in the management as required by Federal law as a protection of the interest of shareholders.

The Fifty States Mutual Fund is an example of the way in which co-operative organisations by acting together can offer their members investment opportunities which could not be otherwise provided, and also secure the additional capital resources needed for co-operative growth and development.

Capital Budgeting.

Because the capital budget occupies a central place in any system of planning and controlling capital expenditure and determining what sources and methods of finance can be utilised the Central Committee followed its enquiry on capital resources by asking the Research Section of the Secretariat to undertake an enquiry on capital budgeting practices amongst the member organisations.

The enquiry showed that a substantial number of member organisations in Europe and North America had produced capital budgets. In Europe the practice seems to be more recent than in the United States where some organisations have prepared capital budgets for more than twenty years.

Most of the Organisations replying to the questionnaire compile a capital budget which contains estimates broadly agreeing with the following categories -

- a. Future investment in schemes for expansion and creation of new earning capacity;
- b. Provision for replacement of existing plant, buildings and equipment;
- c. Requirements for current operations - stocks, cash, surplus payments;
- d. Future supply of capital funds.

In describing their capital budgets some Organisations draw a distinction between the "investment" element and the remainder of the budget. These "investment budgets" generally cover a five year period. Budgets, covering all aspects of capital requirements, are generally for one year. K.F.'s capital budget covers a five year period and Co-op Nederland's four years. N.K.L. compiles two budgets, one takes the form of a five year plan to establish its ability to finance future investment in warehouses, premises, and department stores, etc.; the other, is a survey of current investment for expansion and replacement.

There are a number of different ways of compiling the budget in current use, but most Organisations seem to make a specific enquiry addressed to the heads of production units or warehouses within the Wholesale or to Retail Society officials, which can be answered by reference to data collected for normal accounting purposes. **Co-op Nederland** relies on the extraction of figures from Societies balance sheets, supplemented by its own knowledge of investment plans. **S.O.K.**'s "finance budget" is compiled from accounting data plus separate statistical material and special enquiries including stock figures, sales statistics, etc.

The English C.W.S. compiles an annual budget of prospective capital expenditure under the headings of properties, plant, equipment and motor vehicles. Projections are made of the likely movement of aggregate net current assets and the prospective contribution of profit accumulation and fixed asset depreciation. **C.W.S.** takes the view that in an organisation with multifarious trading ramifications it is quite impracticable to build up any assessment of net current asset requirements by means of an accumulation of detailed sectional budgets.

The comprehensive programme of advance financial planning undertaken by the **Consumers' Co-operative Association** of Kansas City comprises: a long-range forecast (prepared at five-year intervals), an annual budget, and monthly cash forecasts for the next quarter. The long-term forecasts follow the general form of the annual budgets but are less detailed. Objectives and goals for the next five years are determined by top management, future trends established by the Economic Research Staff, and plans for future operations submitted by operating executives. Forecasts are prepared in the following sequence: Sales forecast; Production plan to meet sales forecast; Planning of educational programme and service activities; Forecast of capital expenditures in accordance with the foregoing plans; Forecast statement of operations (profit and loss); Forecast of source and application of funds; Projected balance sheets to show the effects of the entire programme in financial terms. Developing an acceptable five-year programme usually involves exploring several alternative tentative forecasts.

"The annual budget" **C.C.A.** states "is not subject to change or alteration, but is fixed for the year to enforce the need for accurate forecasting and planning and, most important, overall co-ordination and follow-up." It is prepared on a monthly basis so that corrective action and follow-up can be initiated if necessary.

In preparing the budget, top management establishes objectives and goals for the year and basic policies for each department. Budgets are based on a study of past trends and adjusted for economic factors expected to affect future results. Each department is responsible for preparing its own budget and the Budget Department for co-ordinating, summarising and bringing together the departmental budgets in an annual operating and financial budget and capital expenditure programme. Budgets are reviewed and adjusted by a Committee of top management before which each operating executive explains and supports his budget. The financial forecasts based on the budget programme indicates what funds will be generated and if new capital needs to be raised.

The monthly cash forecasts are intended to enable **C.C.A.** to operate with a minimum working capital but adequate cash resources. Although capital projects are initially approved in the budget, a "Request for the Appropriation of Funds" is required before the money is actually appropriated.

Experience on the reliability of estimates in capital budgets seems very mixed, under-estimates (K.F.), over-estimates (Co-op Nederland) and general reliability (Konsumverband, Austria) are all reported.

The most important step in the capital budgeting process is reached when the capital investment projects under consideration are assessed.

A project may have more than one hurdle to clear before it is accepted. The S.C.W.S. reply illustrates this point rather well. Firstly, Departmental Managers since they have to justify every item in their submissions, are "conditioned" only to put forward those proposals considered necessary to maintain and improve efficiency. Their proposals are vetted by a Committee of the Board, the trade and surplus of the department being used to decide if the proposal shall go further. The "economics of the subject" – the anticipated earning capacity – weighs very heavily in these considerations. Final approval is in the hands of the full S.C.W.S. Board.

The C.W.S. authorises each project after a critical examination of precise specifications and costs in relation to the degree of need or measure of anticipated advantage to be secured. In its reply it states: "We do not pretend to have regard to any standard level of capital productivity as a basis for determining the acceptance or rejection of any individual project. We do not, in fact, accept that any such standard can invariably be observed; nor do we subscribe to the view that the advantage or capital return is invariably capable of precise estimation. In our experience, capital expenditure is often dictated by force of circumstances offering a threat to an existing interest which must be protected on a long-term view irrespective of any adverse short-term implications."

The Swedish Consumer Movement places particular stress on the "strategic" character of investments in its choice between alternative investments. Almost without exception investments will be required to yield a full rate of return.

C.C.A. reports that capital projects are included in the budget on the basis of the need for the facility or service and the return on productivity of the capital invested. Improvements to existing plants are based on their adequacy to meet budgeted programmes of sales and production.

S.O.K. is amongst a group of organisations which make specific mention of the calculation of estimates of capital productivity in connection with new schemes. An estimate of rate of return is made and "the most important investments with the highest rates of return are made first." There are considerations, states S.O.K., which may alter this sequence – restrictions on use of a site, reasons of competitive strategy, or lack of a sufficiently large capital sum in the case of big projects.

Co-op Nederland has evolved certain specific criteria for acceptance of projects, so far as shops are concerned a minimum turnover of 60 florins per square metre a week. In the case of its own replacement investments, earning capacity, pay-out period and labour savings are considered.

Midland Co-operatives, Incorporated, ranks its capital projects as: Indispensable; Important; Desirable; Convenient. Projects are accepted or rejected on the basis of projected pay-out, and an attempt made to limit expansion to

projects yielding at least a 10 per cent return. The **Farm Bureau Co-operative Association** determines if a capital project is acceptable on the basis of return on capital and patrons' demand, special justification being required before projects showing less than 10 per cent return on assets employed are authorized. **Green-belt Consumer Services** evaluates projects in terms of members' needs and a satisfactory rate of return – generally 25 per cent on capital employed.

Konsumverband, Austria, indicates that some categories of investment are given priority otherwise, acceptance or rejection of proposals turns on current management performance and expected future developments. Return on capital and competitive strategy determine the acceptance of investment proposals amongst the **German Societies**. For each project a profitability estimate is compiled (a standard form has been devised for this purpose). A project is regarded as viable if it yields a surplus on invested capital over and above the necessary allocations to interest and repayment.

Two Organisations give details of surveys carried out in recent years which deal with their capital position.

The **British Co-operative Union** made a "Capital and Development Survey" in 1961. All Retail Societies of over 4,000 members were asked to indicate the trend of their total investment in the Wholesale over the previous five years and to estimate the trend up to 1965; Statistics of bank overdrafts and trade loans from the Wholesales and C.I.S. were similarly requested. Societies were also asked to estimate anticipated capital investment on new stores and shops, productive units, warehouses and offices, modernisation and replacement of buildings and equipment. The Survey is thought to have stimulated the preparation of "capital budgets" amongst the Societies and possibly encouraged a more scientific approach to capital investment.

In **Belgium** S.G.C. carried through a survey of investment budgets and financial resources in 1961, based on data for 1962, 1963, and 1964. Societies were asked to give figures for investment in new activities (branch shops, superettes, pharmacies) and for replacement of existing equipment, also as regards finance to distinguish between internal and external sources. The questionnaire included a request for details of location, size and expected profitability of the new outlets. There were difficulties in obtaining answers from local managers, but nevertheless the results were judged satisfactory and it is anticipated that the survey will be repeated.

C.C.A. has been using budgeting techniques for a considerable period, and considers that the long-range forecasts enable it to meet future events and necessary changes in an orderly manner; to co-ordinate sales, production and financial plans; to give perspective to current decisions so that they are in harmony with long-range objectives.

In **France**, while there is no national capital budget, an annual enquiry is held amongst the Regional Societies which relates volume of investment, respectively, to turnover and new funds, as well as exploring the character of the investment and the way it is financed. The enquiry, which has been held in ten consecutive years, places the investment programme of these societies in the context of the trends in national trade and the development of the Movement.

F.N.C.C., which makes recommendations to Regional Societies concerning the balance of investment between different types of capital projects – warehouses, equipment, new shops, etc., – points out that it is not so much the profitability of particular projects which must be considered as the viability of the whole complex of investments and its ability to produce goods competitively priced.

There can be little doubt that the capital budget is regarded as an essential management tool amongst the members' organisations. In Germany where it is a recent introduction, Z.d.K. reports "positive effects" as a result of its use, while in Holland, Co-op Nederland says, "it is no exaggeration to say that it would be impossible to work without such a budget."

Management Resources.

Limitations are placed upon the efficient operation and expansion of Co-operative Societies by the availability of high calibre management.

To meet its problems of lack of management resources the Austrian Consumers' Movement in November, 1960, adopted a programme for systematic training and promotion of young candidates for management. The scheme places emphasis on practical experience in advisory and supervisory work in the Central Organisations combined with theoretical training – mainly through use of the case method.

Enquiries made by the Secretariat show that a number of other Movements are seriously tackling the job of recruiting and training adequate numbers of personnel for administrative and management posts.

A course for trainees in business administration was initiated by S.O.K., Finland, in 1951. Each year a group of 16 trainees – who have had a sound commercial schooling and passed an aptitude test – begin a two-year course, comprising four six-month periods of practical training. In the first period the participants work as sales' assistants and consignors in the shop and warehouses of a local Society; in the second, as shop managers and inspectors; during the third period they undertake the work of shop inspection, being based on a branch office of S.O.K.; the final period involves the trainee in auditing and inspection of management, first as assistants to auditors, and finally independently. The trainees are required to produce memoranda, and undertake studies and research in the course of their practical work. These exercises prove useful as a means of clarifying theoretical principles of business administration as well as training in the process of decision taking.

Another course with 24 participants, which lasts a year, caters for employees who already have considerable practical experience in Co-operative Organisations. Particular attention is given in this course to the planning and decision-making phases of business administration. The methods of teaching are the same as those adopted in the two-year course.

Since the completion of the new Finnish Co-operative College in 1961, it has been possible to hold four-week courses during which groups of six participants solve problems of business administration. Experts afterwards scrutinise their results. The comparison of solutions to practical business problems also forms part of the programme of supplementary schooling at the College.

There have been two notable innovations recently in the staff training and leader recruitment programme in the Swedish Movement.

The first innovation, intended to meet the anticipated increase in demand for trained personnel in higher and intermediate management, is a programme of apprenticeship training. Young people with the minimum qualification of a Secondary School Lower Certificate may be chosen to undergo "aspirant training." The course begins with practical work in a department store supplemented by formal training during work and leisure time. During the study programme the aspirants undertake successively difficult tasks of greater complexity and responsibility, for example, purchasing, calculation and make-up of budgets and sales planning. The training includes courses at the Co-operative College, experience by working in different stores, by studying the Central Organisation of K.F., particularly the Dry Goods Department and the factories which produce the goods, also participation in the planning, preparation and initiation of new stores.

The total training period is four to five years, with a recapitulation period during the last year. Further supplementary training courses are open to the aspirants; graduated salary increment is paid as they gain in skill, but never above the maximum for shop assistants.

Young people already employed in the Co-operative Movement but who do not have the minimum qualifications for aspirant training are given the opportunity to participate in an "abridged lower certificate course" by means of correspondence and formal education instruction. This course is followed by two supplementary courses.

Aspirants are required to serve as assistant shop managers for two years after qualification.

The second innovation is the systematic training during a three to five year period of people of high technical or commercial qualifications for leading positions in the Co-operative Movement, centrally, locally or in the productive units. An initial group of 10 were chosen in 1962, mainly from high schools. A practical and theoretical training will be given of an individual and flexible character so as to make it possible to determine the activity for which the student is best suited. The intake of students will vary from year to year.

In the course of 1961, Z.d.K. initiated a special training programme for commercial and economics graduates and experienced co-operative staff. The course, which lasts a year and a half, includes seminars in co-operative schools and a series of centrally designed and synchronised practical exercises. The first part of the training is of a broad character, but later becomes more specialised. Candidates are carefully selected with the assistance of co-operative institutes in the German Universities.

In February, 1963, the C.W.S. announced a comprehensive management development scheme to ensure a management succession in the future of proved ability, trained in the use of modern management aids and capable of filling senior management posts. Recruits are being sought from amongst university graduates, present C.W.S. employees who are graduates, or employees holding recognised professional or technical qualifications. Candidates will be selected by means of

preliminary interview and intelligence test followed (if they are successful) by a two-day procedure before a selection board of directors, managers and officials.

The scheme will take approximately five years to complete, during which time the trainees will be attached to a series of departments where, after a brief induction course, they will undertake tasks aimed to give them an appreciation of the functions of the department and its relation to line management. A period will be spent with a Retail Society, and practical experience will be supplemented by attendance at courses arranged by external bodies. Those selected for the scheme will be required to study for a professional qualification, e.g., the Diploma in Management Studies.

Exchange of Know-How.

The exchange of experience is a common feature of the work of the Alliance's Auxiliary Committees. The Committee on Retail Distribution, for example, has concerned itself with comparisons of performance and the exchange of experience through a series of Working Groups dealing with particular aspects of retailing – food, non-food trade, department store operations – while particular attention has been given in meetings to efficient techniques of retailing.

Expanding Co-operative Activity.

The recommendation to member Organisations was, firstly, "to utilize co-operative resources and methods in all countries to the fullest possible extent by expanding the activities and thereby increasing the influence of National Co-operative Movements . . ." further "by the rapid promotion of increased international trade."

Present information shows little progress in this respect, but an encouraging exception is the Nordisk Andels-Eksport (NAE) – Scandinavian Co-operative Exports, which began operations in May, 1955. In 1956, turnover was 14.7 million Danish Kr., and in 1962 26.2 million. The peak of operations, so far, was 1960 with a 31.4 million turnover.

NAE is modelled on the lines of the long-established Scandinavian Wholesale – Nordisk Andelsforbund (NAF) – being jointly owned by the Consumer Co-operative Wholesales of Denmark, Finland, Iceland, Norway and Sweden. Its aims: to find outlets for the production surplus of Scandinavian co-operative manufacturing; to act as co-operative intermediary by offering imported items to new customers (preferably co-operatives) originating from the export and production sources of NAF.

NAE contracts business in some 40 countries including Australia, Bahrein, Brazil, Canada, Colombia, Ghana, Greenland, Hungary, Liberia, Nigeria, Pakistan and U.S.S.R. A very extensive range of goods is handled: frozen poultry, coffee, margarine, furniture, binder twine, clothing, chemicals, etc.

Particular importance is attached to developing trade relations with Co-operative Organisations outside Scandinavia, and a very important business is done with Consumer Co-operatives in Austria, Germany, Switzerland and the U.S.A.

By acting as a marketing agency for the production of consumer co-operative factories and by developing trading contacts between other forms of co-operatives and between co-operative and non-co-operative undertakings, NAE has made a contribution towards the development of a system of international co-operative distribution.

In an endeavour to resolve concrete problems in the way of inter-co-operative trade, to investigate the possibilities of establishing new trading relations or intensifying existing trade relations, the Agricultural Committee has held a series of Conferences on the import and export of particular commodities. The first on Dairy Products, was held in Aarhus (Denmark) in 1960; the second on Wine at Cagliari (Sardinia), in 1961; the third on Tea, Coffee and Cocoa in London in 1962. By bringing together the co-operative directors and experts responsible for the export and import of agricultural products to discuss practical trading problems the Agricultural Committee has shown that it is possible for new co-operative business transactions to be initiated.

The last aspect of the second recommendation was – “in all possible ways to combat and overcome the monopolistic exploitation of labour and materials.”

Joint International Enterprises.

Thirdly, the resolution recommended Organisations “to take advantage of every opportunity of promoting international enterprises jointly owned and operated on co-operative principles.”

The International Co-operative Petroleum Association began operations at its new lubricating oil blending plant at Dordrecht in April, 1963. Formerly oils for the European Market had to be shipped from I.C.P.A. sources in the U.S.A., sometimes with delays. The Dordrecht plant, owned and controlled by 38 National or Regional Co-operatives in 23 countries is the first fully international plant. I.C.P.A. has plans for other internationally owned blending plants as well as crude oil production, pipeline operation and storage facilities in pursuit of its aim of fully integrated operations.

Another approach to international co-operative activity is to be seen in Scandinavia. Nordisk Andelsforbund, while acting primarily as a joint buying organisation for its six member Organisations, also provides a forum for the discussion of problems of common co-operative interest. In the context of the adoption of the EFTA Convention the possibilities of joint action in the area of production have become more urgent. In 1960, NAF created an Economic Secretariat to systematically plan the co-ordination of co-operative production in the Nordic countries of EFTA.

Two Main Committees of NAF, one for foodstuffs, the other dry goods, are assisted by the Economic Secretariat in tracing realisable possibilities for co-ordination and joint production. Working Committees including managers and representatives of commercial departments undertake more detailed examinations of all projects on behalf of the Main Committees.

By the end of 1962 the Economic Secretariat had produced 15 special reports and six overall surveys, including a special investigation on trade marks registered or used by co-operative organisations.

The work of the Secretariat has concentrated on structural rationalisation in five commodity groups: processed chemical products, especially detergents, cleansing agents, toilet requisites, etc.; chocolate and sweets; flour milling and bakery; furniture; clothing.

The practical results of this work are now being seen. So far as processed chemical products are concerned for which there are plants in Denmark, Finland, Norway and Sweden, the Swedish plant will concentrate on the production of synthetic soap powders for the supply of other Organisations. Part of the finished production will be marketed in Denmark, Finland and Sweden under a common name. F.D.B., Denmark, will supply Norway and Sweden with toilet requisites, cosmetics and certain cleansing materials, which again will be marketed under a common trade name.

The Norwegian soap factory will make toilet soap for the whole Scandinavian co-operative market and cease production of synthetic soaps.

F.D.B. will supply the other countries with cocoa powder which will be marketed under a common co-operative name. K.F. will supply some chocolate and confectionery to F.D.B. and N.K.L., while N.K.L. will specialise on certain types of dessert and household chocolate.

A certain amount of specialisation and productive concentration has been achieved for bakery products. K.F. supplies F.D.B. and N.K.L. with crisp-bread; N.K.L. supplies certain specialised products to K.F.; F.D.B. will obtain its future requirements of flour sacks from S.O.K.

Compensating transactions and specialisation of production between co-operative furniture factories in Denmark and Sweden began in the late 1950's. The establishment of the Economic Secretariat intensified this collaboration which now includes Finland. Basically the Danish-Swedish specialisation agreement provides that F.D.B. produces chairs for both countries; K.F. produces tables and certain types of beds and nursery furniture.

For a limited range of clothing (men's and boys underwear and shirts) a compensating transactions' and specialisation agreement has been reached between F.D.B. and K.F. In 1962-63 a considerable quantity of underwear was supplied by F.D.B. to K.F. and in return K.F.'s shirt factory is to supply shirts to F.D.B. F.D.B. is also to export men's and boys' socks to N.K.L. Compensating transactions' and specialisation agreements for other products are in preparation.

For commodities not manufactured by any Scandinavian Co-operative, especially durable consumer goods, arrangements are being made to exchange details and facts on buying habits, purchasing prices, etc. All problems in this field are being investigated in an effort to arrive at intensified and co-ordinated purchasing arrangements where this is economically advantageous.

The new form of collaboration developing in Scandinavia enables certain new, intimate and stable trading practices to be adopted. In the case of cocoa the pro-

ducing factory estimates a fixed price for each accounting period. If the account shows a profit this is divided among the buyers in proportion to total purchases. Thus production becomes a common undertaking notwithstanding the ownership of the factory by one of the collaborating Organisations.

Democratic Control.

An investigation showed that a number of member Organisations were actively concerned in pursuing the line of approach suggested in the fourth recommendation—“to apply throughout this process of adaptation the fundamental principle of democratic control by providing the maximum of opportunities for the active participation of the members.”

Co-op Nederland sponsored a study by the Sociological Institute of Utrecht University of the position of Consumer Co-operatives in modern society. Investigations carried out in a representative Co-operative Society would seem to show significant differences between the “traditional” type of member (older members, manual workers, etc.) and the “modern” type (younger members, white-collar workers). The newer members are sceptical about the traditional democratic organs of the Society, but respond to new organs, such as shop clubs, or housewives’ circles, in which the housewife has a positive advisory rôle to play.

In 1960 the Swedish Congress was presented with an analysis of structural developments which had been undertaken by K.F.’s Research Department, and a recommendation for a radical reduction in the number of Retail Societies – from about 600 to 100. One of the problems analysed was the influence of the member on the Society and the task of keeping the member informed. Concluding that the size of an organisation and its geographic spread are not so important if it is possible to engender a feeling of membership through personal contact and information, the report recommended that new members should be welcomed into the Society in familiar surroundings, for example, at a meeting in the local shop; they should be given an opportunity of personal contact with the Shop Manager and someone from the Members’ Council. This introduction should be followed up by other contacts, study groups, women’s guild activity. The report also recommended that the Members’ Councils, which are a feature of the Swedish democratic structure, should be so constituted that they could make good contacts with other local organisations, with workpeople and so on; that the Society should assist and, where necessary, initiated activity on behalf of the local residents; that the Councils should have a certain freedom to undertake propaganda within the district for which they are responsible.

In 1953, Professor G. D. H. Cole reached some conclusions on the question of democracy and authority in the British Co-operative Movement. He asserted that, if there was to be real, not merely formal, co-operative democracy, the Movement must interest its members more by becoming “an inspiring teacher” of the domestic needs of the consumer, and coupled this with a plea for better recruiting and training of Co-operative Managers and Officials to whom more responsibility should be given. In 1955 the results of an enquiry on co-operative democracy

undertaken by two University lecturers – Banks and Ostergaard – produced some useful statistics showing relative and absolute declines in the number of members attending and voting at Society meetings and elections, which suggested that the larger the Society, the smaller the proportion participating. More recently (1960) another University lecturer, Brian Groombridge, published a Report on the Co-operative Auxiliaries, which urges collaboration between management, the co-operative educational services and the auxiliaries, as well as more professional assistance for them and quite detailed considerations to particular problems such as recruitment, character, composition of programmes and lectures.

In Czechoslovakia numerous research studies, consultations and negotiations have taken place by the Co-operative Research Institutes, Economic Departments and Member Relations Departments regarding constitutional changes. Proposed changes have been discussed at shop meetings, meetings of productive enterprises, by the Co-operative Unions and in the co-operative press before implementation, others have been tested in pilot societies before being applied more widely.

Democratic control poses special problems for the larger Societies which emerge as a result of amalgamation.

Indirect Elections.

Practically all Retail Societies affiliated to K.F., which because of the size of their membership or its geographic dispersion, cannot conveniently hold single members' meetings, have introduced a system of district meetings and a general meeting composed of delegates elected at district meetings. The general meeting elects a Supervisory Council which, in its turn, elects the Society's executive body, the Board of Directors which may be composed of three to five persons, one being the Society's Manager. In a few Societies the Board of Directors is composed of the heads of the main branches of activity who are all considered as Executive Officers responsible to the Supervisory Council. Since the number of small Swedish Societies is diminishing, through the process of amalgamation, the use of direct election can be expected to give way to an increased use of indirect methods of election.

A similar process is under way in Holland. Of the 121 Societies affiliated to Co-op Nederland, 27 are small village Societies which will not be affected by amalgamation schemes and will continue to have directly elected Boards. Of the remaining 94 Societies, 40 already have indirectly elected Boards and most of the others, through the amalgamation process, will be joined to Regional Societies which already operate a system of indirect election. In all the existing Regional Societies and Societies with more than 3,000 members, the Board of Management is elected by the Members' Council – a representative assembly elected by the members which has the same duties as the general members meeting in smaller Societies.

In Norway there are less than 25 Societies, out of a total of 1,037, which have indirect election; the Board of Representatives electing the Board of Management, rather than direct elections in which all the membership is engaged. It is anticipated, however, that as amalgamations take place more societies will adopt the indirect system.

There are some Movements in which indirect elections are now the only way in which Boards of Management are elected. In Finnish K.K. Societies, which are all relatively large, the change-over to an indirect system took place in the 1920s. Boards of Administration elect the Boards of Management.

In Germany the law requires that Representative Meetings be held in Societies with more than 3,000 members. It does not follow that this meeting will elect the Board, nor that in Societies with a Supervisory Council this will elect the Board. In practice, however, the election by Representative Meeting is the predominant method. The statute requiring Societies with over 3,000 members to hold Representative Meetings, the more general adoption of the practice of utilising the Supervisory Council to elect the Board and the tendency towards concentration in the economy and hence the need for larger societies are leading to the more widespread use of indirect election.

In Italy, Switzerland and Roumania some of the larger Societies have adopted systems of indirect election. In Israel, Primary Consumer Co-operatives with more than 1,000 members organise branch meetings which elect the Supervisory Council which, in its turn, elects the Board.

Another variation in democratic machinery introduced in the United States is to be seen in Greenbelt Consumer Services, which has adopted a system of Area Meetings from which congressmen are elected to a Congress. The purpose of the Congress is stated in the rules to be "to provide, as a representative body of the membership, a closer link between the membership and the Board of Directors in order to maintain and promote effective membership control." The Congress nominates from its own number candidates for the Board of Directors whose election takes place through the Annual Membership Meeting. The Congress also elects a Supervisory Committee which reviews Board actions and advises the Board of any matters within the organisation hinting of impropriety, wilful neglect, or illegality. Congress meets at least three times a year, elects various Committees to carry out its work, including an Executive Committee meeting at least ten times a year. The Congressmen divide themselves into Area Delegations in order to identify and consider the particular needs of individual areas, to co-ordinate member education and activity and to promote mutual understanding between the co-operative and the local community.

The reasons for adopting indirect election have already been mentioned. In an Urban Society with a large membership or in an area where the members are geographically scattered, district meetings are necessary and a logical development is to give them real power by enabling them to elect representatives to a Members' Council which elects the Board. Co-op Nederland emphasises that a general members' meeting attended by 1 per cent of the members is less representative than a Members' Council elected by a district meeting where 5 per cent of the membership may vote.

Another consequence of the system of indirect election is seen in the calibre of the Board members elected. Co-op Nederland puts it this way: "It is to be expected that a group of between 50 and 150 more or less carefully selected members' representatives will be better qualified than just the average member to choose and appoint—generally from among themselves—the Society's highest lay-governors." K.F. makes much the same point concerning elections to Boards

of large Societies; because this is done by a limited number of members it can be done with great care. K.K. also takes the view that the quality and qualifications of Board members selected by the indirect method are superior to those directly elected, and states: "Today, when retail and wholesale trade demand highly specialised knowledge, the lay members of the Board of Management must be well versed in business practices. In the Members' Meeting the best qualified candidates are not always chosen."

The model rules of German Consumer Societies require that the Supervisory Council, if it does not itself elect the Board, makes nominations to the Member or Representatives Meeting, but these are invalid if the nominees put forward have not the required personal and technical qualifications. This restriction guarantees that exclusively relevant considerations are given first importance in choosing candidates. The view of the Auditing Unions is usually sought on the nominations.

The enquiry also elicited in some cases (e.g., the Austrian Consumer and Housing Co-operatives) the reply that there is no relationship between the system of election and the quality of the Board members elected.

Replies concerning the degree of member participation in direct or indirect systems show that there is insufficient evidence for any firm conclusions to be drawn.

Other Developments in Democratic Machinery.

In the U.K. since the war there has been a marked tendency to get away from Quarterly Members' Meetings and to concentrate business in a half-yearly meeting. As a result of recent amalgamations, and in an endeavour to maintain local interest and responsibility, the former Committees of some Societies are retained and appoint representatives to the Management Committees of the new Society.

In Czechoslovakia additional democratic organs have been added to general meetings, management boards and auditing commissions of Consumer Co-operatives in the form of shop members' meetings, shop supervisory committees. Shop members meetings elect new members, elect a shop supervisory committee, elect delegates to the general meeting, discuss questions of shop management and performance. A Supervisory Committee, which meets at least once a month, is the local organ of the Society and studies questions of stocks, services, local cultural and educational activity. The Management Boards also create ad hoc commissions, composed of employees, officials and ordinary members, for particular tasks.

In Italy (Lega Nazionale) Consultative Committees of housewives, members and customers are attached to most shops which discuss the activity of the Society in all aspects touching family needs. Although purely consultative, these Committees exert pressure on the Boards of Management to improve and expand co-operative activity.

A group of Co-operatives which have closely studied their democratic structures are the Insurance Societies. The Research Sub-Committee of the International Insurance Committee has produced a study "The Parliamentary Systems

of the member Societies of the Insurance Committee of the I.C.A.," which states that the prime essential for successful democratic control of an organisation is the existence of a "practicable constituency" – a concept adopted from the Webbs who define a "practicable constituency" as: "... a sufficiently stable and clearly defined body of members who are able to exercise continuous control over their executive organs and this, not only with respect to policy in the abstract, but also with respect to the application of the policy from time to time prescribed by the electorate."

An Insurance Society of any size and complexity is not a practicable constituency and the problem of democratic control is solved in a variety of ways, frequently by linking it to a trade union federation, or farm or urban co-operative federation composed of local organisations with practicable constituencies. Folksam, the Swedish Insurance Society, has a General Meeting composed of 45 members, 30 elected by District Congresses of K.F. and 15 nominated by the Swedish trade union federation (L.O.). Supplementing the formal parliamentary system are a series of loss examination committees to which policyholders may appeal on points of dispute, which are purely advisory in character. There are also a series of councils – Women's, Youth, Rehabilitation and Health – which, do not form part of the democratic structure, but enlarge the area of co-determination and influence of policyholders.

Another interesting experiment is seen in Nationwide Insurance, U.S.A., in an endeavour to develop a system which will bring its policyholders together – economically, feasibly, and practically – to give them whatever measure of control they wish to accept. Participation is encouraged by an Advisory Committee of Policyholders programme (A.C.P.). Since the programme was instituted on a trial basis in 1951, a growing number of policyholders have become involved, 18,650 attended policyholder meetings in 1961. Through a series of District and Regional Meetings, policyholders discuss questions concerning Nationwide, its services and its place in society, formulate recommendations and elect delegates to the Annual Conference of Policyholder Advisers. In 1962, the Conference made recommendations on a wide variety of matters including medical scholarships, college loan facilities, teenage business education, driver education, family account premium reductions and the establishment of a policyholder research panel.

Supervisory Councils.

As already mentioned, some Societies have adopted an indirect system of democratic control by constituting a Supervisory Council. The Supervisory Council does not replace the Board of Management, which still exists, but its functions, composition and title are different from those of the Board of Management in the more familiar co-operative democratic machinery.

In Sweden the difference between Board of Directors and Supervisory Council (Administrative Council) is stated by K.F. to be "... the Board of Directors is the Executive of a Swedish Co-operative Organisation while the Administrative Council is a body through which the members permanently control the activities and participate in the debates and decisions on questions which because of the principles involved or from an economic point of view are of major importance."

In the Retail Societies the Board of Directors cannot, without the assent of the Administrative Council, make decisions concerning: Extension of the Society's trading area; Purchase or sale of real estate; Acceptance of loans and the mortgage of real estate; Placing of capital on long-term conditions; Collective agreements with employees; Expressions of views on questions which should be referred to the General Meeting for decision. The Administrative Council may remove members of the Board before their term of office expires.

In Norway, some Societies have adopted a Board of Representatives as part of their democratic machinery, which elects the Board of Management, the Auditing Committee, deals with rule changes and elects representatives to District Societies.

The Board of Management conducts and supervises the business of the Society; carries out the duties imposed upon it by legislation; gives effect to decisions of the Board of Representatives; appoints the manager and staff, fixes their salaries, contract terms and hours of work. It is responsible for seeing that the business is conducted and accounts are kept in a satisfactory manner.

The democratic structure in the Finnish K.K. Movement, which includes a Supervisory Council, is more complex than in Norway or Sweden. There is a division of function between Council of Representatives, Board of Administration, Board of Management and the Managing Director.

The Council whose members are elected by the members for a six-year term, holds two meetings a year at which members of the Board of Administration, Board of Management and Directors of the Society may be present and speak. Its main duties are - To receive the accounts; To elect members of the Board of Administration, auditors, and representatives to organisations to which the Society is affiliated.

The Board of Administration meets as often as required and members of the Board of Management and Directors may attend and speak. It exercises a continuous supervision and control over the management of the Society, seeing that the Law, Rules and decisions of the Council of Representatives and its own decisions are implemented. Its most important duties are: To elect the members of the Board of Management (term of office one year); To appoint, and dismiss if necessary, the Managing Director and other Directors; To appoint Shop Committees; To elect monthly internal auditors; To make decisions on the purchase, building or mortgage of property and to decide on investments; To decide what purchases entitle members to receive dividend; To examine the Annual Report of the Board of Management and submit it with its own statement to the Council of Representatives.

The Board of Management is the governing body of the Society. The Managing Director is Chairman of the Board which has the constitutional tasks of: Admitting members; Employing and dismissing staff and fixing their remunerations (unless this is the province of the Board of Administration); Arranging district meetings for the general membership to become acquainted with, and discuss, the Society's affairs.

In Austria, Housing Societies elect Supervisory Councils which check the annual accounts and balance sheet, and generally supervise management. When

necessary the Council may dismiss the Board. The Board is responsible for legal transactions, representation of the Society, the compilation of accounts and calling the general meeting. It deals with everything not the responsibility of the general meeting. For particularly important questions the Council and the Board meet together.

The Austrian Consumer Societies have Supervisory Councils composed of laymen and full-time managers. The manager is not automatically a member of the Board, but if successful can be elected. For important matters, e.g., long-term loans and opening new shops, joint meetings are held.

In the German Consumer Co-operatives, the Management Board and the Supervisory Council have completely different areas of responsibility. The decisive difference between them is that the Council has no management authority, but supervises the Board's administration of the affairs of the Society.

In the German Housing Societies the task of the Supervisory Council, as a separate body, is to assist and advise the Board and protect the interests of the members.

Unions and Federations in the countries and Movements mentioned, broadly follow the pattern existing for the Primary Societies.

The position can generally be summarised in the words in which Co-op Nederland describes it in Holland: "There is a clear line of division between the functions of the Management Board and the Supervisory Council, both in Primary Societies and in Unions or Federations. The Board is by rule, as well as legally, responsible for the management of the Society, while the function of the Council lies in supervising the Board. In general this means that the Council has to abstain from all action of a managerial character. The only exception which the rules allow, is when the Board is suspended by the Council; then the latter takes all necessary steps to safeguard the Society from possible damage and loss, if necessary by taking over, temporarily, the Board's management function."

Separation of Decision Areas.

The final aspect of the enquiries on democratic control concerned the ways in which the functions of Management Boards are distinguished from those of full-time managers. The problem here is well described by the Co-operative Union: "In Britain, historically, the Committees of Management of Societies began as Committees virtually managing Society affairs. This practice in differing degrees has persisted despite the growth in the size of Societies, the variety of businesses carried on and the number and competence of full-time officials. There are many Committees of Management still which interpret their function as one of management and not of direction. Co-operative thinking in this province was, however, stimulated by the Independent Commission which pointed to the anachronism of lay committee members purporting to carry out managerial functions. Broadly speaking, Committees are reluctant to give up those functions, but fortunately there is developing an increasing disposition to vest day-to-day management in the hands of responsible officials. This process, however, is not by any means uniform.

In principle, the objective is to encourage new conceptions under which Committees of Management will become responsible for major policy and financial decisions and full-time officials will become increasingly responsible for day-to-day management. So often, however, there is no clear dividing line as to what is directional policy and what is management. The influence of the Union through its educational and other media is endeavouring to cultivate attitudes of mind to achieve a break in tradition and better understanding on the division of responsibility.”

This question becomes of vital concern in those societies whose Boards consist wholly or partially of full-time chief officers.

In Sweden, in five of the largest Societies the Management Board is composed exclusively of full-time chief officials; in others it is composed partly of chief officials and partly of laymen. By electing the managing secretary and, in the largest Societies one or two more chief officials members of the Board, Swedish co-operators confer upon them the legal responsibility which, according to the law, is incumbent upon a member of a Management Board. The practical rule for deciding if a question should be referred to the Board or should be dealt with by officials is one of importance. The full-time managers have wide authority to assume responsibility for dealing with questions connected with their current work and only such questions which are outside the routine job are submitted to the Board or the member of the Board to whose field of activity the question belongs. The principle of delegating responsibility, widely used in the Swedish movement, means that officials develop the will and capacity to do their work as well as possible. The Board is left to concentrate upon important and essential tasks without bothering with comparatively insignificant detail. Supervisory Boards do not meddle with current affairs, but only deal with questions within their competence.

The question of board and manager decision areas has been given careful attention in the United States and the following criteria* advanced to serve as guidelines for establishing boundaries –

Ultimate accountability to members is vested in the Board, which may grant certain authority to officials, agents and employees as permitted under the corporate charter, bylaws and applicable laws. The manager is accountable to, and initiates action within boundaries of authority granted by, the Board.

The Board is primarily concerned with idea decisions, the Managers with action decisions.

Decisions as to how and when objectives, goals and policies are to be attained, are the responsibility of the Managers.

Decisions involving long-range commitment of resources, including facilities, finances or manpower, are the Board's responsibility. Decisions involving intermediate and short-range commitment of resources, and organisation and control of these resources, are responsibilities of the Manager.

* These criteria are explained more fully in: The Board of Directors in Agricultural Marketing Business, Garoian and Haseley, Oregon State University.

Decisions related to assuring capable manager succession by providing for manager depth and training, and decisions specifying the ideal pattern or model of board behaviour and performance, are responsibilities of the Board.

Control over the long-range and substantial financial commitments and structure; objectives, policies, public and member relations, and over-all performance, are Board decisions. Control over operations, subordinate managers and employees, budgets, formulation and execution of procurement, production, and marketing plans and industrial and employee relations programmes are decisions for the Manager.

Maintaining Member Interest

In addition to changes in the formal machinery of democratic control, new methods of creating interest and encouraging a sense of responsibility among members are being developed.

The British Union reports that various methods for arousing member interest have been devised, although they are not altogether new: for e.g., special provision for welcoming new members, expanding programme of consumer education, a programme of audio-visual aids including the development of tape recordings to stimulate local discussion on co-operative topics.

In Switzerland, a Department of Cultural Affairs (part of the Co-operative Seminar) has been set up by V.S.K. to assist in intensifying relations between members and Societies. Local pages in the Co-operative Press are available to Co-operatives to carry through this programme, and the Women's Co-operative Movement shares in the work.

A somewhat different approach is taken by Y.O.L., Finland, which stresses the need to involve the members more intensively with the trading activity of their Societies and mentions long-term programmes for publicity and sales promotion, designed to keep members interested throughout the year.

In Japan, there has been some concentration amongst the Agricultural Co-operatives and, in an endeavour to preserve local interest in the larger Societies, various local activities are initiated – study groups, livestock rearing, fruit-growing and poultry-raising groups – women's and youth organisations are being formed and agricultural fairs are held.

In Israel, amongst "Haikar" Farming Co-operatives an endeavour to stimulate member interest is made by organising tours to other parts of the country to give members an impression of the problems and activities of other Societies.

Training of Elected Officers.

Since 1961, the Austrian Consumer Movement has held annual Information Conferences for Committee members, Executive members, members of Supervisory Councils and Women's Organisations, to promote an understanding of co-operative problems. Since the beginning of 1962, Konsumverband has had a

Department solely concerned with the servicing of elected members and officials. Most Co-operatives have appointed organisation leaders who are responsible for relations with Member Committees and the membership at large. By a recent revision of the guide lines for Co-operative Member Committees, additional training courses at regional level are not for elected committee members, but are primarily intended to provide a rapid basic training for new members. The courses also act as a filter for selection to the main member committee courses, and special courses are held for Executive Committee members dealing with shop management problems, assessment of balance sheets, inter-shop comparisons, etc.

An experimental training course has been introduced in the Swedish Movement. From a pilot scheme which started two years ago, 114 Co-operative Evening Schools have developed, with almost 1,000 participants, selected by Management and Executive Committees. The purpose of the Schools is "to obtain an élite of competent Co-operators, who systematically and tenaciously have obtained knowledge of value for appointment as members of Supervisory Councils and Boards." The average age of participants is around 35, and the majority hold elected offices in local government, or the popular movements. The schools follow a plan of studies drawn up by K.F.'s Department for Study Circle Activity (Vi-Skolan) which includes individual homework and group work; participants submit to Vi-Skolan written answers to questions outlined, and when these are returned with comments, they are discussed. Study visits and lectures are also included in the plan.

This type of course will be extended to elected officials in Co-operative Societies, with an important difference in method that the participants will jointly discuss answers previously prepared individually, and then compile a joint answer. Both the joint and the individual answers will be submitted to Vi-Skolan for examination and marking, and for comment in the case of the joint answer.

A standard course for members of Committees has been elaborated which deals, in eight study letters, with the following questions - The Co-operative Society and Community Planning; We and our Competitors; To understand Statistics; The Economy of the Retail Society; The Co-operative Society as Employers; Co-operative Production; Purchases and Stockkeeping; Co-operative Opportunities, Policy and Sales.

The Co-operative School "Var Gard" holds training weeks for board members who are not employed as Chief Officials, at which problems of immediate interest, e.g., the housewife and the society, staff training, structural changes in the community and the Co-operative Movement, are dealt with by lectures and group discussions.

The British Movement has introduced correspondence courses for members of boards of management, also national and sectional residential courses and schools. A manual "Service in the Board Room" has been issued and a series of publications for members of Boards has been started, with such titles as "Trade and your Society," "The Member and the Society." The Union emphasises that the problem is not so much the provision of training as the demand for, and use of, facilities.

The "Haikar" Agricultural Co-operatives recently started study days in Tel-Aviv, and in a number of Societies, during which members of the administrative bodies of Societies in the neighbourhood study and discuss together topics of immediate interest.

In Pennsylvania, 32 Farm Bureaux have developed a Director Development Programme. A three-man committee appointed by the Chairman of the Regional Board carries out a continuing education programme for director self-development. Directors or managers may suggest topics for conferences, but these must have management recommendation and committee approval. A consultant is responsible for developing and presenting the material.

The Bureaux also hold two annual conferences, one of which orients new directors and is, naturally, somewhat repetitive. Discussions cover history of the organisation; how the organisation ties in with Nationwide Insurance Company as its Pennsylvania sponsor; the procurement and distribution systems; colour slides of facilities, and the organisation chart.

A brochure, Introduction to Directorship is given to each participant. District managers schedule these conferences according to the number and locations of new directors elected; they help the new director to master his job more quickly than otherwise and for a refresher.

Annual Development Conferences for directors are held in each of seven distribution districts.

Canada has correspondence courses, directors' schools, refresher courses and monthly meetings for directors. Since 1958, a new approach to director training has been developed. The Directors Advisory Service of the Union provides bulletins dealing with questions of fundamental importance which the Boards discuss at five meetings each year. Questions at the end of the bulletins are intended to stimulate further thought and enquiry. During 1960-61, the Service was used by 400 Boards. Topics dealt with so far are: The Co-op and Its Members; The Co-op and Its Board; Better Board Meetings; The Co-op and its Finances; The Co-op and Member Education.

Credit Unions in the United States offer a wider range of courses, conferences, workshops, institutes and seminars for Directors and Committeemen, in which the Universities frequently collaborate.

Influencing Economic Policy, Legislation and Social Developments.

A significant aspect since the Lausanne Congress has been the development of regional economic groupings. In E.E.C., where the Consumers' Co-operatives are grouped in a Community of Consumers' Co-operative Organisations of the Common Market, representations have been made upon a number of issues in which consumers' interests were involved - harmonisation of tariffs, common agricultural policy, plant protection and veterinary regulations, rights of establishment, etc.

Many co-operatives have exerted pressure upon their Governments to strengthen their anti-monopoly legislation. The position in Belgium, Germany, Japan and Sweden is particularly interesting.

Belgium. Société Générale Coopérative.

A draft bill introduced in 1957, was finally enacted in 1960. The law does not forbid monopolies, trusts and cartel agreements, as such, but refers solely to abuse of economic power. A Reporting Commissioner (commissaire rapporteur) and two assistants examine complaints from organisations or companies, cases referred to them by the Minister for Economic Affairs and, upon their own initiative, situations where serious abuse of economic power is apparent. Upon completion of his enquiries, the Commissioner advises the Minister if a case exists; if not, the matter is referred to the Council for Economic Conflicts (Conseil du Contentieux Economique) which can advise him. The Minister will call together the parties concerned where an abuse of economic power is shown to exist and make recommendations which, if not followed, are enforceable by decree. In 1952, the co-operative representative on the Central Economic Council endeavoured to strengthen the draft law in a number of ways without great effect. In 1958, the Co-operative and Trade Union Movements succeeded in ensuring that the law was administered by the executive rather than the judiciary. The Movement continues to press for more rigorous legislation through its members on the Council.

Germany. Zentralverband deutscher Konsumgenossenschaften.

Preliminary work on the present Act against Restraints of Competition began in 1948. Discussion in the Bundestag of the law lasted from 1952 until 1957. The German Movement, throughout this period, issued publications and press statements describing the problems involved and what co-operative consumers expected of the law.

At the same time the need for a really effective law was emphasised through the press. Z.d.K. pressed that Co-operatives should not be included within the prohibitive clauses concerning cartels, a plea which was renewed at a later stage by the Freier Ausschuss der deutschen Genossenschaftsverbände. Every opportunity was taken to influence members of the Bundestag and officials of the Ministry for Economic Affairs in favour of the consumer viewpoint. Though the Cartel Law did not meet all the demands of the German Movement (e.g., vertical price maintenance is permitted) at least no additional clauses were introduced during the passage of the bill adversely affecting consumers.

Since the passing of the Act, the Movement has intervened in cases considered by the Federal Cartel Office (Bundeskartellamt) where co-operative interests were threatened. Special attention has been given to the problem of vertical price maintenance – its abolition being urged – and the Movement has worked with the various consumers' associations. Partly as a result of this activity, the Federal Ministry for Economic Affairs under Professor Erhard is considering an appeal to Parliament for the removal of the clause permitting price maintenance.

The Movement is fighting to strengthen the present cartel law by the introduction of clauses to improve control of dominant enterprises; to further restrict unjustified concentration of economic power; to require obligatory permits for rebate cartels; also extended consultation of purchasers with regard to the effects of cartels.

The Consumers' Co-operatives are represented on the Preparatory Commission of Enquiry on Economic Concentration set up by the Federal Ministry for Economic Affairs.

Japan. Zenkoku Nogyokydokumiai Chuokai.

The basic legislation concerning monopolies in Japan is contained in the Anti-Trust Law (Law Relating to Prohibition of Private Monopoly and Methods of Preserving Fair Trade), 1947. Amending legislation introduced in 1949, 1953 and 1955, relaxed the 1947 legislation and permitted crisis and rationalisation cartels, price maintenance and membership of international agreements by Japanese concerns. Other laws, Medium and Small Traders' Association Law, Foreign Trade Act and a series of laws permitting cartels in individual industries (e.g., textiles and coal) have further softened the effect of the 1947 Anti-Trust Law.

The Agricultural Co-operatives, in collaboration with the Fishery and Consumer Co-operatives, opposed the amending legislation and succeeded in limiting any adverse effect upon agriculture.

The most notable campaign was that begun in 1959 against the amendment of the Foreign Trade Act, introduced by the Ministry of Commerce and Industry under the guise of protecting home industries adversely affected by trade liberalisation. The actual effect of the amendment would have been to set up monopolistic price control by large capitalist enterprise; co-operative opposition was well organised and the amendment has not yet been enacted.

Co-operative Organisations recommended that - Cartel arrangements both for internal trade and import and export trade should be prohibited; No restrictions on entry to the trade should be allowed; If there were evidence of excessive competition, then the powers of the Fair Trade Commission should be strengthened; Any restriction of trade to cartel members should not exclude Co-operatives.

The Agricultural Co-operative Movement has also been concerned with contract farming in the production of malting barley. Since beer production began in Japan in 1876, barley has been produced by contract farming. As consumption has increased the monopoly of beer production has been tightened and the extent of contract farming extended. In 1959, the total production of contract malting barley (100,000 tons) was purchased by four manufacturers.

In 1959, the National Marketing Federation of Agricultural Co-operative Associations announced its intention to handle malting barley and to be fully responsible to producers for the terms arrived at in the course of marketing. An agreement was reached between the Federation and the manufacturers concerning contract farmed barley production which - Accepted agreements reached in the past between producers and manufacturers; Stabilised the handling commission (which had been subsidised by the manufacturers) at its present level;

Agreed that technical guidance on production matters should continue to be given by the manufacturers; Stated that in 1961 marketing of malting barley should take place according to contract if the contract has been concluded between an individual Co-operative and the manufacturer, or through Prefectural Federations and the National Marketing Federation.

The position is thus one of uneasy truce, the rôle of co-operative marketing having been increased to some extent by means of the contracts between individual Co-operatives and manufacturers. In 1960, malting barley was marketed through Agricultural Co-operatives in 13 prefectures.

Sweden. Kooperativa Förbundet.

An investigation by a Government Committee of the extent and effect of trusts and cartels in Swedish industry and trade was made as early as 1911, but it was not until after the second world war that effective anti-trust legislation was finally enacted. The interregnum was marked, firstly, by the passage of a relatively ineffectual Act on Investigation of Monopolistic Combinations (1925) which the Co-operative Movement criticised as being too weak; secondly, by the purposeful entry into competition of the Swedish Movement with industries in which manufacturers were participating in restrictive arrangements.

During the second world war emergency regulations grouped manufacturers and importers into combinations and purchasing pools. There was reason to assume that, even when these compulsory combinations were liquidated after the war, the collaboration of the emergency period would continue in the form of restrictive practices.

The Social Democratic Party appointed a committee to elaborate a Programme for Post-War Economic Reconstruction and invited a representative of the Co-operative Movement to act as consultant on agricultural and monopoly questions. The Movement had also been represented on a Government Committee set up in the years immediately preceding the war which carried out research on combinations in trade and industry and their effects on the economy. The committee of the Social Democratic Party was able to draw upon this report and other investigations on monopoly control in the course of its investigations. The Party's report declared that "Cartel agreements and similar price agreements should be made public, and that a pre-requisite for effective control of monopoly and monopoly prices was that all statements and details necessary to form a judgement of price policy should be available to the public. Such information would show if further action were needed and provide beneficial publicity." The report continued - "A special commission of a permanent character should be established to investigate and analyse information on prices, profits and costs."

The Government Post-War Planning Commission appointed a working group to draft an Act for the registration of cartel agreements. The draft became the 1946 "Act on the Supervision of Restrictive Practices in Industry and Trade," which superseded the 1925 Act, and provided that agreements in restraint of trade should be reported to the Monopoly Investigation Office of the Board of Trade as requested by that supervisory authority. Restrictive agreements are entered in

the Kartellregistret and made public. The authority also investigates sections of trade and industry where trade associations or other combinations are assumed to be acting against the public interest. Registration does not imply condemnation of the agreement concerned.

In the period 1946-51, 38 per cent of the registered agreements were liquidated and a considerable number of the remainder remodelled to avoid special investigation. In the period since 1951, this trend has continued. Few new agreements have been registered.

About the time the 1946 Act was promulgated, a Committee was appointed to investigate more closely the whole field of restrictive practices, special attention being given to restrictions affecting new entries in the distributive trade, banking, credit and manufacturing, on which all interests were represented – manufacturers, wholesalers and retailers, the Consumer Co-operatives and the Trade Unions. In its recommendation, the Committee equated “the public interest” with the interest of consumers and delineated three cases in which restrictive practices were not in the public interest – Where restrictive practices resulted in unreasonably high prices in relation to costs of production of goods or services; Where restrictive practices gave rise to apprehensions that reductions in costs might be hampered or costs of production of goods services increased or the application of new techniques leading to increased productivity impeded; Where the restrictive practices caused a diminishing supply of goods necessary to the national economy.

A detrimental effect was presumed to exist (and to provide cause for public intervention) unless contrary evidence could be produced. The Committee proposed that a permanent executive authority be established with power to settle proven complaints by negotiation between the parties concerned and, where this failed, with power to issue an injunction which could liquidate a cartel, provide for compulsory delivery, fix maximum prices, or determine principles for fixing prices in the case of sole suppliers (this last requiring government sanction).

K.F., asked to comment on this draft, suggested that it was preferable to replace the procedure of legal presumption of detrimental effect by formal prohibition of resale price maintenance, tender cartels, joint-pricing cartels and cartels allocating markets. Injunctions compelling delivery should be limited to the case of monopolists only. K.F. argued for the inclusion of export cartels in the scope of legislation as well as international cartels and combines so far as these came within Swedish jurisdiction. The document also requested that the Executive Authority should include a representative of the consumers elected by the Co-operative Movement.

Due regard would seem to have been paid to K.F.'s views in the drafting of the 1953 Act based on a procedure of complaint and negotiation. In addition, the principal restrictive practices – tender cartels and resale price maintenance – were made criminal offences. The proposed two-tier structure was replaced by a single authority composed of representatives of the interests concerned – trade associations, consumers' co-operatives, trade unions, economic experts and the state itself. The fundamental objective of the Council for the Maintenance of Free Competition (Näringsfrihetstradet) was to encourage free competition and free entry in all branches of industry and trade.

In 1955 an investigation was begun by a Government Committee with the object of finding a suitable form of organisation for a permanent supervision of prices to replace the war-time price control regulations. The Committee was also charged with surveying the whole complex of monopoly controls set up by the Acts of 1946 and 1953. The Committee advocated an extended obligation on firms and trade associations to supply information to the supervisory authorities; as regards prices, it would have given the Government authority to re-introduce statutory price control in emergencies (e.g., outbreak of war). K.F., having been asked by the Government to comment on the Committee's proposals, advised in favour of the supervisory anti-monopoly authorities and also approved a proposal to establish a co-ordinating supervisory authority (Statens pris-och kartellnänd). While agreeing with the need for price control in emergencies, K.F. did not approve of the use of controls to check isolated examples of internal price increases.

The Act of 1956, Obligation to Provide Information on Pricing and Competition, required all enterprises in trade, industry, transport, banking, insurance and other services to provide information on restrictive practices, pricing (including revenue, costs and profits), production and sales within Sweden as requested by the authorities. The supervisory powers of the Inspectorate of Banks and the Insurance Inspectorate were further strengthened, while supervision in the remaining sections of the economy was entrusted to the State Commission for Supervision of Prices and Cartels (Statens pris-och kartellnänd).

The Commission took over the tasks of the Monopoly Investigation Office, formerly part of the Board of Trade. It also collects and disseminates information on price movements, analyses these movements and observes price changes and pricing methods abroad.

Nineteen-fifty-six was also the year in which K.F. intervened in the rubber industry. The mobilisation of public opinion in support of the co-operative venture was, to a considerable extent, due to disclosures made in the course of Government enquiries as long ago as the 1920's supplemented by later information.

In the spring of 1961, the report was published of a Committee appointed to make a thorough investigation of existing anti-monopoly legislation, with a view to discovering what practical measures should be taken to improve Government supervision of prices and make consumer protection more effective. In general the Enquiry Committee did not find any changes in the existing cartel legislation were needed, but recommended a number of measures designed to ensure a more efficient implementation of existing legislation. Further recommendations were aimed at increasing collaboration between state authorities concerned with stimulating competition and the popular movements (co-operatives, trade unions and workers' educational organisations) specially interested in problems of consumer protection and education. In a written statement, K.F. strongly supported all the important recommendations of the Enquiry Committee.

Organisations Affiliated

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|-----------------------------|---|
| Algeria | Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, Paris. |
| Argentina | Federación Argentina de Cooperativas de Consumo, Buenos Aires. |
| Australia | Co-operative Federation of Australia, Sydney, N.S.W. |
| Austria | “Konsumverband” Zentralverband der österreichischen Konsumgenossenschaften, Vienna. Arbeiterbank A/G Wien, Vienna. Zentralkasse der Konsumgenossenschaft, Vienna. Oesterreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Vienna. Oesterreichischer Genossenschaftsverband, Vienna. Oesterreichischer Raiffeisenverband, Vienna. |
| Belgium | Société Générale Coopérative, Brussels. Coop-Dépôts, Brussels. Société Coopérative d'Assurances “La Prévoyance Sociale,” Brussels. Fédération Nationale des Coopératives Chrétiennes, Brussels. “L'Economie Populaire,” Ciney (Namur). L'Institut Provincial de Coopération Agricole, Liège. OPHACO Office des Pharmacies Coopératives de Belgique, Anderlecht-Brussels. Société Coopérative Fédérale de Belgique, Brussels. |
| Brazil | Centro Nacional de Estudos Cooperativos, Rio de Janeiro. |
| British Guiana | British Guiana Co-operative Union, Ltd., Georgetown. |
| Bulgaria | Central Co-operative Union, Sofia. |
| Burma | National Co-operative Council, Rangoon. |
| Canada | Co-operative Union of Canada, Ottawa, Ontario. Conseil Canadien de la Coopération, Quebec. |
| Ceylon | Co-operative Fédération of Ceylon, Colombo. |
| Chile | Federación Chilena de Cooperativas de Ahorro, Santiago de Chile. |

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| Colombia | Cooperativa Familiar de Medellin, Ltda., Medellin. |
| Cyprus | Co-operative Central Bank, Ltd., Nicosia. Cyprus Turkish Co-operative Central Bank, Ltd., Nicosia. Vine Products Co-operative Marketing Union, Ltd., Limassol. |
| Czechoslovakia | Ustredni Rada Druzstev, Prague. |
| Denmark | De samvirkende danske Andelsselskaber, Copenhagen. Det kooperative Faellesforbund i Danmark, Copen- hagen. Nordisk Andelsforbund, Copenhagen. |
| Dominica, W.I. | The Dominica Credit Union League, Ltd., Roseau. |
| Egypt | Société Coopérative des Pétroles, Cairo. |
| Finland | Kulutusosuuskuntien Keskusliitto, Helsinki. Osuustukkukauppa (OTK), Helsinki. Kansa (Keskinäinen Henkivakuutusyhtiö), Helsinki. Kansa (Keskinäinen Palo - ja Tapaturmavakuutusyhtiö), Helsinki. Yleinen Osuuskauppojen Liitto, Helsinki. Suomen Osuuskauppojen Keskuskunta, Helsinki. " Pellervo-Seura," Helsinki. |
| France | Fédération Nationale des Coopératives de Consom- mation, Paris. Société Générale des Coopératives de Consommation, Paris. Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris. Banque Coopérative des Sociétés Ouvrières de Produc- tion de France, Paris. Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, Paris. Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, Paris. Caisse Nationale de Crédit Agricole, Paris. Fédération Nationale de la Coopération Agricole, Paris. Confédération des Organismes de Crédit Maritime Mutuel, Paris. Fédération Nationale des Sociétés Coopératives d'Habi- tations à Loyer Modéré, Paris. L'Association Bâticoop, Paris. Confédération des Coopératives de Construction et d'Habitation, Paris. |

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| Germany | Zentralverband deutscher Konsumgenossenschaften, Hamburg. Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften, m.b.H., Hamburg. Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne. "Alte Volksfürsorge," Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., Hamburg. Deutsche Sachversicherung "Eigenhilfe" Hamburg. |
| Great Britain | The Co-operative Union, Ltd., Manchester. Co-operative Wholesale Society, Ltd., Manchester. Scottish Co-operative Wholesale Society, Ltd., Glasgow. Co-operative Productive Federation, Ltd., Leicester. Co-operative Insurance Society, Ltd., Manchester. |
| Greece | Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.) Athens. |
| Holland | Coöperatieve Vereniging U.A. Centrale der Nederlandse Verbruikcoöperaties, "Co-op Nederland," Rotterdam. |
| Iceland | Samband Isl. Samvinnufélaga, Reykjavik. |
| India | National Co-operative Union of India, New Delhi. National Agricultural Co-operative Marketing Federation, Ltd., New Delhi. All Bombay Consumers' Co-operative Societies' Federation, Ltd. |
| Iran | Army Consumers' Co-operative Society, (Cherkate Taavoni Masrafe Artèche), Teheran. |
| Ivory Coast | Centre National de la Coopération et de la Mutualité Agricoles, Abidjan. |
| Israel | General Co-operative Association of Jewish Labour in Eretz-Israel, "Hevrat Ovdim," Ltd., Tel-Aviv. "Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv. "Haikar" Audit Union of the Agricultural Societies of the Farmers' Federation of Israel, Tel-Aviv. |
| Italy | Lega Nazionale delle Cooperative e Mutue, Rome. Confederazione Cooperativa Italiana, Rome. Associazione Generale delle Cooperative Italiane, Rome. |
| Jamaica | The Jamaica Co-operative Union, Ltd., Kingston. |

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| Japan | Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Co-operative Union), Tokyo. Zenkoku Nogyokyodokumiai Chuokai, (Central Union of Agricultural Co-operatives), Tokyo. Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Co-operative Associations), Tokyo. |
| Jordan | Jordan Co-operative Central Union, Ltd., Amman. |
| Korea | National Agricultural Co-operative Federation, Seoul. |
| Malaya | Co-operative Union of Malaya, Kuala Lumpur. Federation of Co-operative Housing Societies, Kuala Lumpur. |
| Malta | Farmers' Central Co-operative Society Ltd., Marsa. |
| Mauritius | Mauritius Co-operative Union, Port Louis. |
| Morocco | Cercle d'Etudes et d'Action coopératives "Georges Fauquet," Rabat. |
| Mexico | Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L. |
| Nigeria | Co-operative Union of Eastern Nigeria, Ltd., Aba. Co-operative Union of Western Nigeria, Ltd., Ibadan. |
| Norway | Norges Kooperative Landsforening, Oslo. Livsforsikringsaktieselskapet Samvirke, Oslo. Forsikringsaktieselskapet Samvirke, Oslo. Samvirkebanken, Oslo. BBL A/L Norske Boligbyggelags Landsforbund, Oslo. |
| Pakistan | West Pakistan Co-operative Union, Lahore. Karachi Central Co-operative Consumers' Union. Karachi Co-operative Housing Societies' Union. Karachi Co-operative Institute, Ltd. Karachi Fishermen's Co-operative Purchase and Sales Society, Ltd. Sind Provincial Co-operative Bank, Ltd., Karachi. Karachi Central Co-operative Bank, Ltd. East Pakistan Co-operative Union, Ltd., Dacca. |
| Roumania | Uniunea Centrala a Cooperativelor de Consum "Centro-coop," Bucharest. |
| Sarawak | Sarawak Co-operative Central Bank, Ltd., Kuching. |

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| Singapore | Singapore Co-operative Union, Ltd. |
| Sweden | Kooperativa Förbundet, Stockholm. Folksam, Stockholm. Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund, (H.S.B.), Stockholm. Svenska Riksbyggen, Stockholm. Sveriges Lantbruksförbund, Stockholm. Kooperativa Kvinnogillesförbundet, Stockholm. |
| Switzerland | Verband schweiz. Konsumvereine, Basle. Genossenschaftliche Zentralbank, Basel. Coop Lebensversicherungs-Genossenschaft Basel, Basel. Verband-ostschweiz. landwirtschaftlicher Genossen- schaften, (V.O.L.G.), Winterthur. Verband sozialer Baubetriebe, Zurich. |
| Tanganyika | Co-operative Union of Tanganyika, Ltd., Dar es Salaam. |
| U.S.A. | The Co-operative League of the U.S.A., Chicago, Illinois. |
| U.S.S.R. | Central Union of Consumers' Co-operative Societies of the U.S.S.R. and R.S.F.S.R., "Centrosoyus," Moscow. |
| Yugoslavia | Glavni Zadruzni Savez FNRJ, Belgrade. |

Appendix X.

Subscriptions Received for the Years 1960, 1961, and 1962.

| | 1960. | | | 1961. | | | 1962. | | |
|----------------------|-------------|----|----|-------------|----|----|-------------|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| Argentina | 115 | 0 | 0 | 149 | 18 | 0 | 149 | 18 | 0 |
| Australia | 40 | 0 | 0 | 40 | 0 | 0 | 40 | 0 | 0 |
| Austria | 534 | 7 | 8 | 1,062 | 7 | 8 | 1,132 | 1 | 5 |
| Belgium | 1,010 | 16 | 0 | 1,614 | 10 | 0 | 1,609 | 10 | 0 |
| Brazil | 5 | 15 | 0 | 6 | 0 | 0 | 6 | 0 | 0 |
| British Guiana | 25 | 0 | 0 | 25 | 0 | 0 | — | — | — |
| Bulgaria | 115 | 0 | 0 | 150 | 0 | 0 | 150 | 0 | 0 |
| Burma | 115 | 0 | 0 | 150 | 0 | 0 | 150 | 0 | 0 |
| Canada | 443 | 4 | 3 | 700 | 13 | 0 | 681 | 17 | 8 |
| Ceylon | 100 | 0 | 0 | 150 | 0 | 0 | 150 | 0 | 0 |
| Chile | 20 | 0 | 0 | — | — | — | — | — | — |
| Colombia | 24 | 0 | 0 | — | — | — | — | — | — |
| Cyprus | 48 | 0 | 0 | 50 | 0 | 0 | 118 | 0 | 0 |
| Czechoslovakia | 1,828 | 0 | 0 | 2,026 | 14 | 8 | 2,033 | 12 | 2 |
| Denmark | 740 | 0 | 0 | 1,175 | 0 | 0 | 1,175 | 0 | 0 |
| Egypt | 10 | 0 | 0 | 18 | 0 | 0 | 50 | 0 | 0 |
| Finland | 1,401 | 6 | 4 | 2,738 | 15 | 6 | 2,711 | 8 | 0 |
| France | 3,441 | 8 | 6 | 4,556 | 12 | 0 | 4,729 | 12 | 1 |
| Germany | 1,291 | 18 | 0 | 3,627 | 0 | 0 | 3,728 | 12 | 4 |
| Ghana | 115 | 0 | 0 | — | — | — | — | — | — |
| Great Britain | 13,170 | 13 | 9 | 17,563 | 1 | 6 | 17,606 | 9 | 0 |
| Greece | 115 | 0 | 0 | 150 | 0 | 0 | 150 | 0 | 0 |
| Holland | 539 | 9 | 6 | 775 | 5 | 0 | 665 | 5 | 0 |
| Iceland | 115 | 0 | 0 | 290 | 0 | 0 | 290 | 0 | 0 |
| India | 60 | 0 | 0 | 150 | 0 | 0 | 350 | 0 | 0 |
| Indonesia | 115 | 0 | 0 | 150 | 0 | 0 | — | — | — |
| Iran | 8 | 0 | 0 | 10 | 0 | 0 | 18 | 0 | 0 |
| Israel | 509 | 0 | 0 | 760 | 9 | 0 | 751 | 0 | 0 |
| Italy | 1,394 | 0 | 0 | 2,735 | 14 | 0 | 2,936 | 0 | 0 |
| Ivory Coast | — | — | — | — | — | — | 10 | 0 | 0 |
| Jamaica | — | — | — | 20 | 0 | 0 | 25 | 0 | 0 |
| Japan | 230 | 9 | 7 | 450 | 0 | 0 | 450 | 0 | 0 |
| Jordan | 20 | 0 | 0 | 30 | 0 | 0 | 30 | 0 | 0 |
| Malaya | 125 | 0 | 0 | 160 | 0 | 0 | 160 | 0 | 0 |
| Malta | — | — | — | 2 | 17 | 0 | 2 | 16 | 6 |
| Mauritius | 25 | 0 | 0 | 30 | 0 | 0 | 30 | 0 | 0 |
| Nigeria | 230 | 0 | 0 | 300 | 0 | 0 | 300 | 0 | 0 |
| Norway | 448 | 0 | 0 | 782 | 0 | 0 | 788 | 0 | 0 |
| Pakistan | 153 | 0 | 0 | 250 | 0 | 0 | 703 | 0 | 0 |
| Rumania | 115 | 0 | 0 | 150 | 0 | 0 | 150 | 0 | 0 |
| Sarawak | — | — | — | — | — | — | 20 | 0 | 0 |
| Singapore | 10 | 0 | 0 | 10 | 0 | 0 | 10 | 0 | 0 |
| Sweden | 1,838 | 4 | 0 | 3,671 | 0 | 0 | 4,150 | 0 | 0 |
| Switzerland | 926 | 2 | 9 | 2,153 | 10 | 9 | 2,193 | 9 | 4 |
| Tanganyika | — | — | — | — | — | — | 310 | 0 | 0 |
| U.S.A. | 2,175 | 0 | 0 | 4,041 | 0 | 0 | 3,891 | 0 | 0 |
| U.S.S.R. | 7,200 | 0 | 0 | 10,000 | 0 | 0 | 10,000 | 0 | 0 |
| Yugoslavia | 114 | 18 | 0 | 149 | 18 | 0 | 149 | 18 | 0 |
| | <hr/> <hr/> | | | <hr/> <hr/> | | | <hr/> <hr/> | | |
| | £41,060 | 13 | 4 | 63,025 | 6 | 1 | 64,755 | 9 | 6 |

Income and Expenditure Account

For the Three Years ended 31st December, 1962

| | Expenditure. | | | | | Income. | | | |
|---|--------------|-----------|-----------|------------|--|-----------|-----------|-----------|------------|
| | 1960 £ | 1961 £ | 1962 £ | TOTAL £ | | 1960 £ | 1961 £ | 1962 £ | TOTAL £ |
| Salaries, Wages and National Insurance | 19,491 | 20,559 | 24,216 | 64,266 | Subscriptions—For the year | 40,904 | 62,586 | 64,570 | 168,060 |
| Staff Pensions and Pension Scheme | | | | | Arrears | 88 | 166 | 707 | 961 |
| Premiums | 1,302 | 1,491 | 1,254 | 4,047 | “Review of International | | | | |
| Rent and Rates | 2,558 | 2,804 | 2,978 | 8,340 | Co-operation”—English Edition ... | 1,379 | 1,237 | 1,344 | 3,960 |
| Heating, Lighting and Cleaning..... | 700 | 609 | 636 | 1,945 | French Edition ... | 721 | 687 | 621 | 2,029 |
| Insurances—Fire, etc..... | 152 | 152 | 206 | 510 | German Edition... .. | 1,511 | 1,356 | 1,259 | 4,126 |
| Repairs | 879 | 825 | 605 | 2,309 | Advertisements | 436 | 444 | 341 | 1,221 |
| Taxation arising on Property..... | 22 | ... | ... | 22 | “Cartel”—English Edition | 558 | 460 | 911 | 1,929 |
| Printing and Stationery | 478 | 720 | 470 | 1,668 | French Edition | 370 | 356 | 347 | 1,073 |
| Postage, Telegrams and Telephones... | 860 | 769 | 1,083 | 2,712 | Other Publications | 248 | 518 | 1,132 | 1,898 |
| Books, Journals and Papers..... | 110 | 114 | 101 | 325 | Syndicated Articles..... | 6 | ... | ... | 6 |
| Translations | 542 | 250 | 374 | 1,166 | International Co-operative School..... | 1,480 | 1,644 | 2,156 | 5,280 |
| Travelling and Sundry Charges..... | 175 | 309 | 236 | 720 | U.N.E.S.C.O. Grant—1962 Seminar | ... | ... | 1,428 | 1,428 |
| Central Committee, Executive and | | | | | Sale and Hire of Films, etc..... | 582 | 323 | 65 | 970 |
| Other I.C.A. Meetings..... | 3,546 | 6,271 | 5,632 | 15,449 | Dividend on Purchases | 57 | 78 | 71 | 206 |
| Representation at National Congresses | 119 | 636 | 685 | 1,440 | Rent | 100 | 100 | 100 | 300 |
| Representation at U.N. Meetings..... | 1,216 | 1,260 | 1,237 | 3,713 | Income Tax—Refund arising on | | | | |
| Congress: Balance over provision in | | | | | Property Maintenance Claim | 115 | 228 | ... | 343 |
| previous years..... | 4,629 | ... | ... | 4,629 | Pension Scheme Premiums Refund ... | 579 | 640 | ... | 1,219 |
| S.E. Asian Regional Office: | | | | | S.E. Asian Regional Office— | | | | |
| Salaries and Wages | 677 | 5,559 | 5,151 | 11,387 | Overprovision in 1960 for | | | | |
| Rent, Light, Car Maintenance, etc. | 113 | 1,117 | 1,107 | 2,337 | Removal Expenses | ... | 197 | ... | ... |
| Printing, Postage, Sundries..... | 72 | 212 | 505 | 789 | Donation..... | 13 | ... | ... | 13 |
| Office Equipment | ... | 813 | 117 | 930 | Interest receivable on— | | | | |
| Travelling | 170 | 1,083 | 657 | 1,910 | Loan Investments | 1,415 | 2,890 | 3,477 | 7,782 |
| Removal Expenses..... | 719 | ... | ... | 522 | Deposit Investment | 412 | 420 | 386 | 1,218 |
| “Review of International | | | | | Bank Current Account..... | 158 | 121 | 226 | 505 |
| Co-operation”—English Edition ... | 1,561 | 1,600 | 1,612 | 4,773 | | | | | |
| French Edition | 1,184 | 1,374 | 1,209 | 3,767 | | | | | |
| German Edition... .. | 2,248 | 2,218 | 2,087 | 6,553 | | | | | |
| Articles | 47 | 31 | 41 | 119 | | | | | |
| “Cartel”—English Edition | 779 | 818 | 1,025 | 2,622 | | | | | |
| French Edition | 393 | 401 | 400 | 1,194 | | | | | |
| Articles and Translations | 286 | 369 | 133 | 788 | | | | | |
| Other Publications (1962—less £1,300 | | | | | | | | | |
| provision) | 569 | 1,035 | 1,814 | 4,718 | | | | | |
| Films Purchased | 506 | 259 | 525 | 1,290 | | | | | |
| Syndicated Articles..... | 16 | ... | ... | 16 | | | | | |
| International Co-operative School..... | 1,769 | 2,366 | 2,780 | 6,915 | | | | | |
| International Seminars | 1,390 | ... | 3,365 | 4,755 | | | | | |
| Far Eastern Deputation..... | 1,980 | ... | ... | 1,980 | | | | | |
| West African Deputation | 351 | ... | ... | 351 | | | | | |
| Jubilee Triennial Prize | ... | 250 | ... | 250 | | | | | |
| Retail Distribution Committee..... | ... | 50 | ... | 50 | | | | | |
| Office Equipment..... | 117 | 591 | 396 | 1,104 | | | | | |
| “War on Want” Exhibition..... | 534 | ... | ... | 534 | | | | | |
| Taxation arising on Interest receivable | 302 | 210 | 237 | 749 | | | | | |
| Donations | 1,002 | 750 | 250 | 2,002 | | | | | |
| Interest allocated to Funds..... | 897 | 1,064 | 1,133 | 3,094 | | | | | |
| Interest allocated to Deposit | ... | 1,282 | 1,511 | 2,793 | | | | | |
| | £54,461 | 60,221 | 65,768 | 181,553 | | | | | |
| Provisions for— | | | | | | | | | |
| Lausanne Congress Report..... | ... | 1,300 | ... | ... | | | | | |
| 1963 Congress | ... | 2,900 | 2,900 | 5,800 | | | | | |
| Amortisation of Leasehold Property | | | | | | | | | |
| to Sinking Fund | 309 | 309 | 309 | 927 | | | | | |
| Depreciation of Property..... | 1,182 | 1,182 | 1,182 | 3,546 | | | | | |
| Depreciation of Motor Vehicle ... | ... | ... | 267 | 267 | | | | | |
| Balance of Income over | | | | | | | | | |
| Expenditure | ... | 8,539 | 8,715 | 12,434 | Balance of Expenditure over Income | 4,820 | ... | ... | ... |
| | £55,952 | 74,451 | 79,141 | 204,527 | | £55,952 | 74,451 | 79,141 | 204,527 |

