

## INTEGRATION OF THE NATIONAL FEDERATIONS

### A note on the historical background

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Whatever the present day disputes on the merits and demerits of single or multiple national federations, there can be little dispute that the three which the British Movement possessed for over a hundred years of its existence were the result of the economic needs, geographical divisions, social heterogeneity and ideological strains of an infant and pioneer Co-operative Movement. It is a matter of recent and well remembered history that the Co-operative Wholesale Society achieved its present dimension in 1973 when the short-lived successor to the Scottish Co-operative Wholesale Society, the Scottish Co-operative Society, transferred engagements. Beyond that, however, the CWS looks back to discover its origins in the North of England Co-operative Wholesale Industrial and Provident Society Ltd. of 1863, created to supply the needs of retail societies located primarily in the south-east part of Lancashire and the West Riding. From that base it gradually spread itself to all parts of England and Wales. But meanwhile in Scotland, a group of societies had come together in 1868 after earlier abortive efforts, to establish the Scottish Co-operative Wholesale Society Ltd., apparently with the approval of the still infant CWS.

On another front, however, others were anxious to re-establish the links between the various aspects of Co-operative activity (stores, workshops, communities) which they feared were being severed and to establish a national forum, perhaps even an authority. Such

personalities were largely responsible for the London Congress of 1869, which, merging with the North of England Conference Association the next year, became the first of an unbroken procession (but for 1944) of annual Congresses. Thus Congress preceded the Co-operative Union proper. From its very inception Congress appointed a Central Board to maintain its continuity and act as spokesman and co-ordinator for the Movement. The Central Board soon employed a permanent Secretary and more permanent staff were slowly but inevitably employed as further responsibilities were placed upon the Central Board by Congress. By 1889 it was felt necessary for the organisation to become a corporate body and it was registered under the Industrial and Provident Societies Act as the Co-operative Union, of which Congress became the annual general meeting.

Thus three national federations emerged. Although there were disputes about the representativeness of these organisations, little thought seems to have been given to any possibility of merging them. J. C. Gray's often-quoted suggestions of a national Co-operative society in 1906 would have meant a merger but his thoughts were of course going far beyond a merger of the national federations. In its recommendations, the General Survey Committee reporting in 1919 favoured some representation of the Wholesale Societies on the Union's Central Board as well as some strengthening of the Union's authority. This recommendation received much the same neglectful attention that the remainder of the Committee's recommendations received, however. It is necessary to move on to 1932 before finding any serious attempt to co-ordinate the work of the three federations.

### The National Co-operative Authority

Although falling far short of the aspirations of the present advocates of the single national federation,

the National Co-operative Authority is perhaps the earliest manifestation of the desire for unity, based on the belief that "a body should be created to consider important matters of policy, a body constituted to reflect the joint opinions of all the national organisations". Further, "if the Movement is to speak with one voice on questions of national policy and major public issues, there should be provided some medium through which these organisations can formulate their views and enable the Movement to play a larger and more effective part in the affairs of the country".

On such reasoning the Authority (itself a misnomer - the British Co-operative Movement has never possessed an "authority") was based. It arose from a special committee of inquiry appointed by the 1930 Congress to look into the government of the Co-operative Union. Among its many other recommendations it recommended the establishment of this new body, to consist of the Union's Executive Committee (virtually a sub-committee of the Central Board, a body consisting entirely of representatives from primary societies) plus representatives from the CWS, the SCWS, the Co-operative Press, the Co-operative Productive Federation and the Co-operative Party. The 1932 Congress accepted this recommendation and for the next seventeen years the National Co-operative Authority was part of the Co-operative scene.

The functions of the Authority were "to discuss and decide Co-operative policy in current national issues affecting the Movement" (between Congresses to which it was responsible). In effect it mainly dealt with issues where the Movement came into contact with other organisations, especially the Government. Thus in the last year of its existence it reported to Congress on various tax matters, dividend on tobacco and optical work, on Co-operative development in New Towns, discussions with the Labour Party, and only two

items of purely Co-operative interest, the national membership scheme and a Co-operative emblem. The effectiveness of the Authority is beyond the scope of this paper but a speaker at the 1948 Congress suggested that "we have three national organisations, our Central Board, our Joint Parliamentary Committee and our National Authority. Divided authority of a necessity means no authority." Such arguments carried the day and in 1949 the Authority and the Joint Parliamentary Committee were abolished, the Central Board was extended to include membership from the other national federations (CWS, SCWS, CPF and Press) and a new committee, the Central Executive, was established, again with representation from the other federations but dominated by retail society representatives.

#### Independent Commission Report

There can be little that has dominated the Movement's consciousness as did the Independent Commission's Report of 1958. The particular issue under consideration here was not a major part of their report although they did report their brief discussions on the matter. They argued that any amalgamation was essentially a long term constitutional question and even assuming that it was desirable, "it is certainly not an urgent short term necessity; that is, its absence is not a major cause of the Movement's trading weaknesses which we were asked to consider ... assuming that retail societies play their proper part, we do not recommend that the Union and Wholesale Societies should amalgamate".

A recommendation in this area that exercised the Movement's attention much more was that of the establishment of another national organisation, the Co-operative Retail Development Society, an organisation to be owned jointly by the Union and the Wholesales to provide technical services for retail societies,

provide advice on capital development, act as a central economic planning unit and plan the establishment of the also-recommended national chains.

In the outcome, however, the Movement chose to meet the needs revealed in this section of the Independent Commission Report by adapting its existing machinery, notably by expanding the Union's work, rather than creating any further organisations. Since 1960 in fact, the emphasis has been on reducing the number of national organisations rather than creating any new ones.

#### National Federation Negotiating Committee

The first major attempt to create a single national federation was undoubtedly the resolution passed at Congress in 1962 that "instructs the Central Executive to establish a Committee ..... to initiate negotiations to amalgamate the functions of the CWS, the SCWS, the CPF and the Co-operative Union with the object of creating a single National Federal Organisation ...". Despite the wording of the resolution, the proposers of the motion at Congress had argued that the committee would be free to explore the desirability and practicability of the merger although they made no secret of their own sympathies.

In 1964, the Committee reported to Congress in favour of the merger taking place (without the CPF which favoured the new federation and was prepared to join it but did not want to lose its own identity). The Committee reported a substantial area of agreement on three major principles: that a fusion of the existing national federations was desirable and practical; that a new form of organisational structure would be required for the new organisation; and that retail societies would have to accept greater obligations to the new federation than they had traditionally accepted towards the existing federations.

The concept and scheme of one organisation to be responsible for all the functions carried on by the three federations seemed to have been highly attractive. It was accepted at Congress by a large majority (12,000 to 2,000). However, the SCWS and many Scottish societies had already declared their opposition to the scheme, arguing that one of the supposed major benefits of the proposals, namely the rationalisation of Co-operative production, would inevitably have an adverse effect on Scottish productive capacity and employment. The Committee had recognised this danger and had attempted to resolve it, but not to the satisfaction of many Scots. Thus despite Congress's acceptance of the plan, the SCWS refused to take part in any such merger and the whole scheme foundered.

The SCWS continued to set its face against any merger with the CWS for the next nine years. In the meantime, however, developments were taking place in England. As a direct consequence of the breakdown of the NFNC proposals both Wholesale Societies undertook reviews of their organisations and both were substantially reorganised. The CWS in particular started to take a much more immediate interest in retailing and established services which had areas of common interest with some Co-operative Union departments. Because of this, discussions began as early as 1966 about the provision of certain services and the dangers of overlapping. These developed to the stage that by Congress of 1969 the Central Executive were asking for (and receiving) Congress's sanction to proceed with discussions with the CWS about a full merger and to report to the 1970 Congress.

### The 1970 proposals

The Integration Committee (a joint committee of Union and CWS representatives with SCWS observers)

reported to the 1970 Congress in favour of the merger taking place between the Union and the CWS, largely on the grounds of the need for one clear central focus of authority and advice within the Movement and the avoidance of any duplication or conflict in advisory services. There remained, however, the problems of those Union services which did not fit neatly into the CWS structure and of those services which needed to be maintained for Scottish societies. The committee's solution was for the Union to transfer its engagements to the CWS and then for the CWS and the SCWS to establish a Joint Policy Committee which would be responsible in particular for such Union departments as Secretarial, Legal, Finance and Accounting, Taxation, Labour, Statistical, Publications, the Library, Education, the Party and the Parliamentary Office, in effect the whole of the Union's activities less the trade advisory departments and the trade associations.

After due consideration, however, the Union's Central Executive came to the conclusion that outright merger was not the correct course of action at that point of time, arguing that there were "so many and more urgent problems facing the Movement's trading organisations". There was also a fear that the "one society one vote" situation which the law demanded to sanction such a merger would not produce an affirmative vote, creating much unfavourable and unwelcome publicity which the Movement could ill afford. Hence the Central Executive came out with proposals of their own which achieved much the same effect as those proposed by the Integration Committee without effecting any merger. These proposals involved the transfer of the Union's Food, Dry Goods and Development Departments, and the Organisation and Methods section of the Finance Department to the CWS, the Trade Associations and Technical Panels coming under the aegis of the CWS, and the reconstitution of the Union's Central Executive to

give the two Wholesale Societies combined a majority of the members of the committee. These proposals were accepted by Congress.

### Recent developments

Undoubtedly the transfer of engagements of the Scottish Co-operative Society (previously the SCWS) to the CWS was an event of major significance to the consideration of a single national federation. The SCWS's refusal to merge with the CWS and the subsequent difficulty of providing certain services to the Union's Scottish members was a major stumbling block to full merger in years past. The disappearance of the SCWS's successor in June 1973 left the way open for the merger to take place should member-societies so wish it.

At this year's Congress the resolution was passed:-

"This Congress authorises the Central Executive to establish a Special Committee comprising three representatives of the Central Executive, other than representatives appointed by the CWS, three representatives of the CWS Board and three elected representatives of Retail Societies to consider and report to the 1976 Congress on the advisability and if found to be desirable on ways and means by which a single national federation could be created to replace the Co-operative Union Ltd. and Co-operative Wholesale Society Ltd.

"In the course of preparing its report the Committee should invite interested Co-operative organisations to present written evidence and interview the representatives of such organisations as it thinks fit."