

A Single National Federation?

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It is becoming increasingly difficult to remember the time when we were not being assailed by some variation on the theme of salvation through integration. Perhaps there never was such a time?

And now the cliché factory works overtime again. Nine good men and true, together with their overburdened professional assistance, are charged with examining the evidence for assertions that, by transferring the Co-operative Union Ltd. to the C.W.S. Ltd. we shall secure a "streamlining of democratic procedures"; "clearly defined democratically formulated policies and programmes, purposefully advocated"; "the best use of human resources both in representative democracy and in management"; "avoid(ance of) costly overlapping and duplication both in finance and manpower"; and "a new dynamic in meeting the challenge of the future". (See the Co-operative News, March 21, 1975.)

What a pity that those who dangle before us so alluring a prospect would seem to deny us access even to the foothills of their vantage point. Yet the diligent searcher shall be rewarded. He will find that the inspiration for the current advocacy of integration is based upon the immortal words enshrined in the Final Report of the National Federation Negotiating Committee, as presented to Congress, 1964. A Report, as we shall be reminded, accepted by Congress by 12,104 votes to 1,907.

Report of the N.F.N.C.

It would equally repay the effort to remind ourselves of the "advantages" the N.F.N.C. claimed would flow from a fusion of the then national federations, and ask ourselves if and how far they remain valid for 1975. They were as follows:-

- (a) The creation of a single co-operative supplier for a national market, with concentrated national and international buying unparalleled in the British economy.
- (b) The availability of all co-operative productions for the whole of the British Co-operative Movement and for export.
- (c) Emergence of the means of rationalising national co-operative productive and distributive resources.
- (d) The prospect of ensuring the utmost economy in planned capital expenditure.
- (e) The avoidance of overlapping and duplication in functions and in the services rendered to the member societies.
- (f) Securing the advantage of sales promotion supported by advertising and publicity through all available media on a national scale.
- (g) A streamlining of constitution, which would be far more efficient than the present multiplicity of national committees.
- (h) A closer control of the National Organisations by the member societies.

(i) The introduction of an effective management structure in keeping with the size of the organisation and the economic conditions of the times.

(j) The achievement of unity in the national structure of the Movement, which will engender a sense of common purpose and a new dynamic in meeting the challenge of the future.

It will be obvious that since the implementation of the J.R.C. Report in 1966, and particularly since the transfer of engagements of the S.C.W.S. to the C.W.S., all the constitutional and organisational pre-conditions for the realisation, in so far as they are realisable, of clauses (a), (b), (c), (d), (f) and (i) have been achieved. Certainly the assimilation of the Co-operative Union within the C.W.S. could make no discernible difference to those aspirations.

So, we are left with clauses (e), (g), (h) and (j) upon which to focus our attention. At first glance, these seem hardly the stuff to stimulate an outburst of passion, nor justify the resounding flow of rhetoric generated by the "integrators".

Roles of Union and C.W.S.

But first, before we examine those four clauses in greater detail, let us examine the organisations involved in this discussion; their role within our Movement; and their relationship both to each other and to the retail society base they were created to serve. It would seem to the writer that this is a much neglected area of discussion and, as a result, the prime cause of much of the confusion associated with the subject of integration.

The need for the two separate and quite distinctive federal services to the retail co-operatives,

even when these were little more than discussion groups and theoretical concepts, was recognised even at the embryonic stage of the Movement's development. Records of such proposals recur throughout the 1830's. These proposals assumed urgency of translation into reality arising from the needs of societies rapidly established following the successful Rochdale initiative.

Clearly, their most pressing need was that of obtaining reliable merchandise at the lowest cost. As practical men, they saw the solution in joint buying; giving themselves the advantage of greater bargaining power and the better use of specialised buying skills and economies in organisation and administration. The obstacle to the effective realisation of this end was a statutory disability under the terms of the then I & P Act. In 1862 an amendment to that Act permitted a society to hold shares in another. In 1863 the C.W.S. was born and the possibility of vertical integration for the provision of a procurement, wholesaling and manufacturing service to retail societies on a federal basis established.

Concurrent with this development and, indeed, the source from which the concept of a wholesaling service emerged, was the constant meeting of co-operators in different geographical areas for the exchange of views and experiences, and for the purpose of hammering out common policies. Conferences and Congresses were held at regular intervals. The value of this cross fertilisation of ideas was well recognised, and the need to translate this fruitful exchange into a national and orderly form readily conceded.

The recognisable shape of the modern Co-operative Union, with its annual Congress, Sectional Boards, Central Executive and professional national advisory services to member societies finally emerged from the Congress of 1873, held at Newcastle.

It is interesting to note:-

1. that the functions of the two organisations as defined by their objects clause have not materially changed since their establishment, thus

(a) the Co-operative Union is in business as "accountants, booksellers, commercial and general advisers, publishers and arbiters in matters of dispute arising between societies ... propagating co-operative principles ... promotion of education", while

(b) the C.W.S. is in business as "manufacturers, wholesalers, retailers, dealers, bankers, shippers, carriers, farmers, workers of mines, insurers guarantors, and has power to agree with any other society for a profit sharing or any other working arrangement".

2. that the C.W.S. is, and always has been, a member of the Co-operative Union on equal terms with any other co-operative society; be it retail, wholesale, co-partnership, agricultural, or whatever.

It would serve us well to pause at this point to allow the full significance of 2 to register with us. Whether by design or intent, the historical fact remains that the terms of membership of the Co-operative Union, its constitutional forms, are a recognition that, contrary to the claims of the "integrators", the interests of its members are not necessarily, nor invariably, identical. Traditionally, the Union's constitutional forms have been contrived to maintain a reasonable balance of power as between its constituent units; with a general tendency to creating a situation wherein a meaningful place exists within the organisation even for the smallest unit of membership.

Recent events, especially the merger of the S.C.W.S. with the C.W.S., have served radically to upset that balance and to place unprecedented power in the hands of the C.W.S. - and this despite the unconvincing protestations that the C.W.S. "representatives" are without mandate and serve only as uncommitted individuals.

To the convinced "integrator", this development will be welcome. Not only will he say, let's now be logical and go the whole hog, but it coincides with his simple-minded belief that a mere increase in size equates with a developing intelligence, a benevolent power, more economical use of resources and a greater adaptability. (His source of reference is the dinosaur.)

We can only hope there remain sufficient of us imbued with the original spirit of co-operation; that the sovereign unit is the smallest of all - the individual. And that he voluntarily surrenders only so much of his individual sovereignty to the group as is necessary to his and their mutual advantage and general well-being. But, above all else, he is not only associated on equal terms with his peers; but always retains the right and opportunity to withdraw from that association.

Translating the spirit of that compact into the federal structural organisation of the co-operative movement; it would be clearly anathema and wholly destructive to create a situation wherein a federal organisation - presumably created to respond to and be under the control of the base units - becomes the controlling unit. We would have brought forth a Frankenstein monster, indeed!

Integration Still Needed?

Against that background, let us return to those claims, clauses (e), (g), (h) and (j) of the N.F.N.C.

final report, which seem relevant to the current "unification" proposals.

Clause (e). "The avoidance of overlapping and duplication in functions and in the services rendered to the member societies."

Is there substance in this claim? I challenge anyone to read the N.F.N.C. report, or the current similar outpourings of the "integrators", and produce one tittle of evidence in support. Of course, it's a splendidly emotive line of approach. Who cares to appear as an obstacle to "efficiency", "streamlining" and "cost saving"? But, as in all these situations, calmer and more balanced judgements should prevail. Demand, therefore, that we have the evidence. Let us be responsible citizens and insist we judge on the facts. Personally, I do not doubt the outcome.

Clause (g). "A streamlining of constitution, which would be far more efficient than the present multiplicity of national committees."

Again, we are challenged to appear as opponents of "efficiency". It's a shabby trick; even if an all too frequently successful formula for intimidating one's adversaries. "Streamlining constitutions"? Perhaps the best example of a streamlined constitution is the corporate state - usually referred to as a dictatorship! Memory has it that we were involved in some bloody conflict just to do a bit of "unstreamlining" - if one is allowed to coin a word?

If it is true that the present constitutional forms are deficient, why not put forward positive proposals for their amendment? Not simply attempt to persuade us to blast the whole of our democratic structures off the face of the globe. And whatever alternatives are advocated - efficiency or no - let us make certain they

are so shaped they do not contrive to remove final power and authority from the base unit. Without the presence of effective residual power at the base, of a genuine countervailing force, we are indeed in the grip of authoritarian government, no matter what the verbal camouflage and trappings.

Clause (h). "A closer control of the National Organisations by the member societies."

This is a proposition so preposterous as patently to deserve pride of place in any anthology of nonsense. (And is it an accident that "National Organisations" are embellished by initial capitals? Or has Freud been busy again?)

Do we need the example of the recent local government reorganisation and a thousand and one other witnesses to the problems of control being directly related to the increasing size and centralisation of organisations to persuade us to reject this proposition out of hand?

Why not merely content ourselves with the example of the C.W.S.? Can there be anyone who seriously contends that member societies, or their representatives, have close control over that organisation? Be there any such, then we are truly blessed with the original innocents abroad!

This is not to refuse to recognise realities. The economic and social pressures demanding, indeed insisting, that the optimum size of organisations is tending to increase, is an inexorable and irresistible fact of our time.

What is important to us as co-operators, is that we do not allow ourselves to be persuaded that what is merely a tendency in the organisation of human affairs, has become the highest aspiration of humanity.

The paradox is that as the size of the group increases, the authority and power of the constituent unit diminishes. "Democracy" becomes more diffuse and is increasingly diluted. The opportunity for the assertion of minority power and, eventually, totalitarianism increases in direct ratio to the diminution of true democracy - which, itself, follows from the mere quantitative development of the group.

The only obvious counter to this real danger of finding ourselves in a situation, visibly arising, where our much vaunted "democracy" is a sham, a meaningless facade, is not more "centralization" - but its exact opposite, decentralization.

As at present constituted, allowing for all its transparent weaknesses (most of them arising from a perverse and persistent refusal to grant it adequate resources, and then blame it for a corresponding performance), the Co-operative Union is the only currently identifiable institution capable of preserving any truly democratic co-operative association.

The Co-operative Union is designed to accommodate under one constitutional umbrella all the functional and specialist expressions of co-operative organisation, without permitting the overpowering influence of any one such expression, while retaining final authority where it belongs - in the base unit.

To accede to the request of the "integrators" would be to negate all this. Whether we like it or not, effective central control of our Movement would pass into the hands of the C.W.S. executive. As I have pointed out in another context (Co-operative News, March 21, 1975) "this is not to impute any sinister intent; it just happens to be a fact of life".

Because of its diversification, its multiplicity of interests, associations and engagements, and its scores

of subsidiaries and departments; "democratic control" of the C.W.S. and influence as exercised by member societies through their present form of representation is tenuous in the extreme. The difficulties are real and the resistances to an extension of democratic control understandable even when not endorsed.

But how, in the face of that irrefutable knowledge and experience, can our "integrators" (many of whom exercise great influence in the fashioning of contemporary co-operative opinion) inflict upon their constituencies the idea that, by placing the Co-operative Union under the total control of the C.W.S., we are achieving "closer control by the member societies"?

Their reasoning is totally obscured by their motives; and of these we have no knowledge.

Clause (j). "The achievement of unity in the national structure of the Movement, which will engender a sense of common purpose and a new dynamic in meeting the challenge of the future."

Detached from the cloying vestment of emotive verbiage, this clause appears to have but one meaning - salvation through centralization! We have dealt with that elsewhere, and it should not be allowed to detain us long here.

On the other hand, given our alternative concept of co-operative organisation, the aspiration is quite capable of achievement through the constitution of the Co-operative Union.

Distractions and Dangers in Integration

What is really dangerous about this type of rhetorical rubbish is that it diverts attention from real problems; offers a glib and easy substitute for positive

thinking; and permits and encourages people occupying responsible positions within co-operative organisations to find and disseminate ready-made excuses for their own ineptitude and incompetence. If all is not well in their own society, then the fault rests in the failure of the Movement to integrate!

The situation recalls one's earlier thought on this whole subject: that too many heads spend too much time in too many clouds. In the end, we develop at the grass roots, or we perish. Co-operation is essentially about the voluntary association of groups of individuals for a specific purpose; not about grandiose schemes for national organisations and concentrations of power in remote centres - except in so far as the latter are essential to the promotion of the former. We are concentrating too little on the former and too much on the latter.

And now, to conclude, two footnotes:-

First, one wonders what impact this recurring, obsessive preoccupation with the reorganisation of the Co-operative Union has upon the staff of that institution? One does sometimes wish that those co-operative officials who seem to have endless time to expend on this type of activity would sometime find themselves on the receiving end. One is convinced we'd all be better off should that ever happen!

Second, those so anxious to inveigle us in this integration exercise have possibly overlooked a very important paragraph in the N.F.N.C. final report, viz.: page 6, para. 5, "Withdrawal".

"Arising from the fact that on an amalgamation or transfer of engagements the member societies of the C.W.S., the S.C.W.S., and the Union would

automatically be members of the single National Federal Society, provision will need to be made for the withdrawal of those member societies which do not wish to continue their membership."

A lot of us could use to far better advantage the capital we have tied up in the C.W.S. Ltd. Roll on integration!