

Co-operative Independent Commission -RevisitedFOREWORD

The Report of the Commission, running to over 300 pages, was published in 1958 and considered by a Special Co-operative Congress in November of that year. Twenty-five years on, we asked contributors, who look at consumer Co-operation from various perspectives, to examine what the Commission had recommended, how far these recommendations had been followed, what is now the state of consumer Co-operation in Britain and whether the guide-lines set by the Commission are still relevant.

The following notes outline the background for this 're-visit' to the Commission.

Members of the Commission

The original members were:-

The Rt. Hon. H.T.N. Gaitskell, C.B.E.,
M.P. (Chairman)

Miss Margaret Digby, O.B.E.

Professor D.T. Jack, C.B.E., J.P.

Dr. J.B. Jefferys.

Colonel S.J.L. Hardie, D.S.O., LL.D.

Mr. J.T. Murray.

Alderman F. Pette, J.P.

At the request of the Commission, Lady Hall accepted an invitation to become a member in December, 1956. Mr. C.A.R. Crosland was appointed Secretary of the Commission.

To its Secretary the Commission paid this tribute:-

"We could not have been better served. If any one name deserves to be associated with this Report, it should be his."

Terms of Reference

Clause (1) of the Terms set the bounds for the Commission:-

"That the Central Executive (of the Co-operative Union) shall establish by invitation an Inquiry Commission of suitable persons not engaged in Co-operative management or administration, who shall be charged with the responsibility of surveying the whole field of Co-operative production and marketing, both whole-sale and retail."

Recommendations by the Majority

The recommendations agreed by all members of the Commission, except Colonel Hardie, numbered 51. Key items on economic development were:-

a) Dividend and Reserves

- "Generally we recommend (3) that societies should seek to stabilise dividend at a level (if necessary below the current level) which, in the light of local history and conditions, is high enough to act as an effective inducement to trade, but not

so high that it cannot be maintained for a period of years ahead; and they should allocate the remaining surplus, and any increases in the surplus, to reserve."

b) Number and Development of Retail Societies

- "We therefore recommend (18) that retail societies should accept the view that the "ideal" number of societies is in the region of 200-300, and that they should willingly co-operate in the national amalgamation survey and plan described."

c) The Wholesale Societies

- "... we recommend (28) that the Wholesale Societies should, as opportunity offers, narrow the range of output and the number of separate lines which they produce and use available resources primarily for improving the efficiency and expanding the output of the remaining lines."

- "We, therefore, recommend (37) that the function of democratic control should be exercised in each Wholesale Society by a lay Supervisory Council, elected in the same way as the present Boards, but ultimately part-time instead of full-time."

d) Co-operative Retail Development Society

- "To carry out these various central functions*, we recommend (45) that the

Co-operative Union, acting under the authority of Congress, and the two Wholesale Societies, acting under the authority of their constituent societies, should jointly establish a new federal society to be known as the Co-operative Retail Development Society, the nominal voting shares to be held as to one-half by the Union and one-half by the two Wholesale Societies. These bodies would choose a part-time Supervisory Council in the same proportions, to consist of elected persons; the members would be chosen on the side of the Union by the Central Executive, and on the side of the Wholesale Societies from the new Supervisory Councils.

(* The "central functions" were technical services to retail societies particularly on selling methods and management structure; advice on capital; advice on trends and developments in retail methods and consumers' expenditure; and the planning and establishment of national chains of specialist shops in certain of the dry goods trades.)

Recommendations by Colonel Hardie

The essential recommendations which Colonel Hardie elaborated in his Minority Report were:-

- "The Co-operative Movement of the future, if the Movement is to fulfil its functions to the co-operative consumers, must be a complete integrated retail

wholesale and manufacturing organisation under one body in Scotland - THE SCOTTISH CO-OPERATIVE SOCIETY LTD., and one body in England and Wales - THE CO-OPERATIVE SOCIETY LTD. OF ENGLAND AND WALES."

- "When the structure of organisation is complete, consideration can be given by The Scottish Co-operative Society Ltd. and The Co-operative Society Ltd. of England and Wales, to the federation of these two societies."

Decisions by the Special Congress

The main decisions of the Special Congress bearing on the majority recommendations listed above were:-

a) Dividend and Reserves

Congress accepted a proposal in the exact terms of the C.I.C. recommendation (3).

b) Number and Development of Retail Societies

Congress carried the proposal:-

"That this Congress endorses the basic principles for amalgamation recommended by the Independent Commission and requests the Central Executive to assume the responsibility of conducting a detailed national survey of the whole problem."

c) The Wholesale Societies

Congress carried the proposal:-

"That those parts of the Independent Commission Report and recommendations relating to production, merchandising and wholesaling functions be referred for consideration to the Boards of Directors and member-societies of the Co-operative Wholesale Society Ltd. and the Scottish Co-operative Wholesale Society Ltd. and that both Societies endeavour to initiate action with a view to closer collaboration in the development and marketing of their productions on a joint national basis."

Congress also carried the proposal:-

"That this Congress expresses its disappointment that the Independent Commission has not included in its report a recommendation for the amalgamation of the Co-operative Wholesale Society Ltd. and the Scottish Co-operative Wholesale Society Ltd. and affirms its belief that such amalgamation would be in the best interests of the Co-operative Movement.

d) Co-operative Retail Development Society

Congress carried by 6516 votes to 6425 the proposal:-

"That this Congress:

- a) Accepts in principle recommendations Nos. 45-50 inclusive of the Independent Commission and authorises the Central Executive,

together with six representatives of retail societies elected on the basis of Congress voting, to initiate the necessary negotiations with the Co-operative Wholesale Society Ltd. and the Scottish Co-operative Wholesale Society Ltd. with a view of establishing a Co-operative Retail Development Society Ltd. assuming all the functions outlined by the Independent Commission.

In such negotiations the Central Executive and other bodies involved shall follow the broad outline of organisation suggested by the Independent Commission, with the exception that the Supervisory Council shall include elected representatives of retail societies in addition to representatives of the Central Executive and the Wholesale Societies.

The Central Executive shall not delay such negotiations by reason of the present absence of any specific item referred to in the recommendations. The Central Executive shall endeavour to provide such constitution and outline organisation of the Co-operative Retail Development Society as will eventually incorporate the framework suggested by the Independent Commission, subject to the exception mentioned above.

- b) Authorises the Central Executive to convey to the Co-operative

Retail Development Society so created the urgency of the establishment of a national specialist chain of shops in a trade or trades to be selected by the Co-operative Retail Development Society.

- c) Instructs the Central Executive to submit its first report thereon to the 1959 Congress on the measures taken to constitute, organise and finance the Co-operative Retail Development Society Ltd., and on the reorganisation of the functions and organisation of the Co-operative Union thereby entailed."

November 1983

R.L.M.