

ADDITIONAL COMMENTS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
TO CHAPTER V

The International Co-Operative Alliance has been in a position to submit its general viewpoints on Chapter V in writing (document E/CONF.2/15) and, orally, in the general debate preceding the first reading in Committee IV of this Chapter.

Before the second reading is closed the Alliance would like to stress once more than it has a specific interest in the widest possible co-operation with the International Trade Organization in this field and, as well, that the ITO at the implementation of the provisions of Chapter V may have great use of the consultation and general assistance offered by the Co-Operative Movement through the International Co-Operative Alliance.

The Co-Operative Movement, in accordance with its fundamental principles working in the public interest, in a great number of countries has commercial organizations, well provided with capital accumulated by their members, and able to offer effective competition, carrying on industrial activities in a great variety of fields. The majority of these enterprises, catering for the domestic market, have come into existence as measures of defence against monopolistic cartels and combines which have been unduly levying taxes on consumers and on small producers, particularly in agriculture, who have had to pay their vocational necessities in markets controlled by monopolistic forces. As was pointed out in the document previously submitted to this Conference, the co-operative industrial enterprises, by their actions against combines and cartels, have compelled them to readjust their prices to the new conditions of competition and gained valuable concessions from them in the public interest. The co-operatively organized industrial enterprises may thus have had greater experience of the organization and business practices of monopolistic combinations than any other section of industrial activities. The Co-Operative Movement, as already mentioned, being fundamentally based on the maintenance of public interest, has in many instances embarked upon actions of this kind on the direct exhortation of the Governments of the different countries and, whenever appropriate to the ends in sight, co-operated with private enterprises which have been anxious to maintain free enterprise.

In recent years, with a view to obtaining increased bargaining power against  
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international monopolistic combinations with superabundant capital at their disposal, the Co-Operative Movement has been striving at bringing into existence international, jointly owned enterprises in industry and trade. The intentions of the Co-Operative Movement in this regard are directed to the manufacture of consumers' goods as well as to the production of and trading in vocational necessities for agricultural and other small producers. It is, further, anxious to develop the direct exchange of, on the one hand, primary materials and foodstuffs and, on the other, industrial products between co-operative associations of producers in the countries exporting raw materials and the national agencies of co-operatively organized consumers with an extensive buying power at their disposal. The idea underlying this international co-operative interchange of goods is to keep trade margins low, to the advantage of the producers, enabling them to obtain a more remunerative initial price for their products, as well as of the consumers who will thereby be able to buy their necessities more cheaply than otherwise. This interchange very often has to encounter hard resistance on the part of monopolistic combinations in the fields of production and trade which are particularly eager to turn the weakness of the small producers in the field of marketing for export to their advantage and, for this reason, are not inclined to look passively on the extension of producers' co-operative marketing organizations and their trading connections with organizations of co-operatively organized buyers in other countries. Furthermore, where production of certain commodities in one or more countries of production is highly centralized and under the control of large international cartels or combines, having correspondingly large resources of capital, technical skill and business experience at their disposal, the holders of a monopoly of production are, most frequently, eager to establish and extend their control of the trading channels and ultimate marketing of the product as well, and are therefore unwilling to sell to the agencies of co-operative organizations or only on conditions, discriminating against them.

The International Co-Operative Alliance nurses the conviction that the protection against such restrictive business practices provided for in Chapter V of the Charter is destined to be of great use to the co-operatively organized activities, aiming at defending the public interest. It has every reason to believe that in these provisions is embodied a seriously meant intention to curb the rising power of monopolistic combinations in international trade and that the International Trade Organization will embark upon its task with all its energies and with a view to obtaining appreciable results.

In order to show, already at this early stage of the bringing into existence of the Organization, in which sections of the activities of the

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ITO the Co-Operative Movement would be able to collaborate with the greatest use to the ITO in its efforts to attain effective results, the International Co-Operative Alliance in its comments to Chapter V indicated some specific tasks with regard to the procedure prescribed in this Chapter with the Alliance is particularly willing to perform. The International Co-Operative Alliance would have seen with great satisfaction, that it might have been possible for the Conference to define the scope of its consultation more closely by means of special references to the different Articles of Chapter V. It was stressed in the comments submitted by the ICA that the Alliance did not suggest these references as an exclusive privilege but that, no doubt other non-governmental organizations, Category A concerned with matters relating to industrial life and international trade, may also be expected, by continuous supply of their experiences, to contribute effectively to the future work of the ITO in controlling and studying restrictive business practices. The ICA submitted a similar request with regard to Chapter VI. Inter-Governmental Commodity Agreements, as well as regarding the final formulation of Article 84, paragraph 3 which contains the constitutive provisions concerning the consultation of Non-Governmental Organizations.

After having heard the explanations and clarifications made in Committees V and VI in connection with the comments of the ICA, the representative of the Alliance feels confirmed in his conviction that the special desires in this regard expressed in the comments of the ICA may be satisfied when it comes to drawing up the outlines of the future co-operation between ITO and the non-governmental organizations, Category A, including the ICA. This co-operation might be developed in the view of the ICA either according to routine or conforming to special working agreements to be elaborated on the basis of practical considerations. Particularly in the field covered by Chapter V the co-operation between the ICA and the ITO is bound to become extensive and fruitful.

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