

(Prior to Motion 6)

As chair of the Group Board, I would like to outline why I and the Board consider that the amalgamation of the Group and United is vital to the future of the Group and the Movement.

You have heard the business case from Martin. It is important that we recognise the significance of the fact that this would be a bringing together of two very strong and increasingly successful societies. It is a merger from strength.

Neither society needs this to happen because they are failing, as has so often been the reason for mergers in the past. Your Board, considers that it should happen, and the time is right for it to happen, because together we will be stronger.

Together we will be able to punch our weight more both commercially and co-operatively, because in the cut-throat world of mainstream retailing in the 21<sup>st</sup> century, size is important, as well, of course, as the quality of the business.

If we are to succeed in the marketplaces in which we mainly trade, ie. Food, Pharmacy,

Travel, Funeral and others, scale brings important benefits, including in buying power, economies of operation, and importantly in brand impact and consumer perception.

Now, I realise, of course, that there will be some concerns, and that these are sincerely held and valid. I have met with most regions and corporate societies, so I know that this is the case.

I want to acknowledge the concerns especially, at this point, of our friends and colleagues in independent societies. I think that the issues that you have raised have been important, but I trust that that the Board has provided the assurances you were seeking.

I see the movement as a partnership between the Group and other societies. Each benefits from the support of, and the success of, the other. But, societies, in particular, need the support of the Group, in its federal role. The Group recognises this, and will continue to provide federal services to societies, and will do so in a fair and equitable manner with regard to service and costs, as in the undertakings that have been given.

Turning to the condition of the co-operative; over the past five decades we have seen our market share of the grocery sector fall relentlessly. As co-operators committed to the co-operative way of **changing business for good**, we can't stand by and let that

continue.

If we do, we will have failed in our **obligation** to the legacy of past generations of co-operators, who passed down to us such a rich vein of physical and brand assets.

If we do, we will have failed the current generation of co-operatively minded customers and potential customers, who for the life of them can not understand why we allow our differences to handicap us, and to limit our capacity to offer a pleasing and meaningful alternative to all those businesses, whose sole purpose is to maximise returns to remote investors. Is that what we want the legacy that we leave to be? Is that why we are all here today? I don't think so.

If we do stand by, and do not seize this opportunity, we will have failed future generations, your kids and my kids, and their kids, who face a world, increasingly dominated by globalised business, where the dollar takes precedence over democracy, and a world in which they feel powerless to make a difference. Is that what we are willing to accept? I don't think so.

**Today, in this room,** It is in our power to do something really positive for co-operation. To make sure that rather than facing

further decline and decay of the co-operative ideal and maybe even its oblivion, we can change things and face the future with more confidence. I believe strongly, that the issue in front of us today, offers the best chance that we are likely to have, for a stronger co-operative tomorrow.

It has been agreed between both societies, and with Peter Marks as chief executive designate of the Co-operative Trading Group, that the Group's initiatives that launched in 2006, ie. wider individual membership, and the unified co-operative brand based on re-stated social goals, will be the basis for the amalgamated society.

Think what an enormous difference this will make, especially in those communities, and there have been far too many, where the two societies compete with each other at present, and confuse the hell out of the public. No wonder our reputation is so low.

These things matter! They matter to the mass of people willing to support and trade with the co-op. They matter to co-operators. They matter to you; and I can assure you that they matter to me!

That is why I firmly believe that if this amalgamation goes ahead, we will stem that decline in our market share. We will make our co-operative presence on the High Street felt like few here today can

remember. We will be better able to fulfil our co-operative purpose in communities throughout the UK. We will be able to serve our members more effectively. Your Board is confident we will be in a better position to attract new members, as we will be able to communicate our brand, our co-operative message, more consistently and more comprehensively than ever before.

Consumers will understand what we are about and will want to join us to show their support for the way we do business – the co-operative way, which, as it always has been, is changing business for good.

I urge you, the committed co-operators, dedicated to ensuring that the co-operative continues to change business for good for many decades to come, to vote in favour of bringing these two successful co-operative societies together.

I move motion 6 on behalf of the Board.