

INTERNATIONAL
CO-OPERATIVE ALLIANCE,

14, GREAT SMITH STREET,
WESTMINSTER, LONDON, S.W. 1.

REPORT

of the

PROCEEDINGS

of the

Fourteenth Congress of the
International Co-operative
Alliance

at

LONDON

4th to 7th September, 1934.

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THE
COMMITTEES
OF THE
ALLIANCE

International Co-operative Alliance.

Founded 1895.

President :

VAINO TANNER.

Vice-President :

ERNEST POISSON.

Members of the Executive :

R. A. PALMER, SIR ROBERT STEWART, VICTOR SERWY,
Mrs. E. FREUNDLICH, ALBIN JOHANSSON, EMIL LUSTIG,
I. A. ZELENSKY.

General Secretary :

HENRY J. MAY.

Members of the Central Committee :

AUSTRIA	Dr. Karl Renner, Mrs. Emmy Freundlich.
BELGIUM	Victor Serwy.
BULGARIA.....	C. Ganef.
CZECHOSLOVAKIA.....	E. Lustig, F. Modracek, A. Dietl.
DENMARK	L. Broberg, I. Th. Arnfred, A. A. Drejer.
ESTONIA	R. Paabo.
FINLAND.....	V. Tanner, P. Raittinen, E. Stavenhagen.
FRANCE	E. Poisson, A. J. Cleuet, M. Camin, Dr. G. Fauquet, P. Ramadier.
GREAT BRITAIN	Sir Fred Hayward, R. A. Palmer, Sir Robert Stewart, Mrs. E. M. Bain, J. Downie, G. Major, J. J. Worley, W. Bradshaw, R. Elming, G. A. Ramsay.

Members of the Central Committee!

8

HOLLAND	M. van der Horst.
HUNGARY	Dr. E. de Balogh, Dr. E. Kuncz, J. Peidl.
JAPAN	K. Sengoku.
LATVIA	V. Silin.
LITHUANIA	Prof. P. Salcius.
NORWAY	A. Juell.
PALESTINE	A. Sabarsky.
POLAND	M. Rapacki, M. Chrystowski.
ROUMANIA.....	Prof. Gr. Mladenatz.
SPAIN	J. Ventosa Roig.
SWEDEN.....	A. Johansson, A. Gjöres, A. Hedberg.
SWITZERLAND	Dr. B. Jaeggi, Dr. A. Suter.
U.S.A.....	Dr. J. P. Warbasse.
U.S.S.R.	I. A. Zelensky, A. G. Badaiev, E. Variash, -, Chlopjankin, -, Radchenko, -, Epstein, A. Schvetsov, T. A. Jurkine, -, Narodetzkaya, M. V. Mikhailik, M. G. Toroshelidze, S. A. Zarafian, -, Balasanianz.

The Congress Committee.

President :

VAINÖ TANNER.

Vice-President :

ERNEST POISSON.

Members :

R. A. PALMER. VICTOR SERWY.

Dr. B. JAEGGI.

Past Congresses..

The International Co-operative Alliance has previously held
Congresses at—

London	1895	Cremona	1907
Paris	1896	Hamburg	1910
Delft	1897	Glasgow	1913
Paris	1900	Basle	1921
Manchester	1902	Ghent	1924
Budapest.....	1904	Stockholm.....	1927
Vienna	1930		

Congress Reception Committee.

President :

Alderman Sir FRED HAYWARD, J.P.

Representing the International Co-operative Alliance :

Mr. HENRY J. MAY, General Secretary.

Representing the Co-operative Union, Limited :

Mrs. E. M. BAIN.

Mr. J. DOWNIE.

Mr. G. MAJOR.

Mr. T. M. MCGIFF.

Mr. R. A. PALMER, General Secretary.

Representing the Co-operative Wholesale Society, Limited :

Mr. W. BRADSHAW.

Mr. R. FLEMING.

Mr. G. A. RAMSAY.

Mr. R. F. LANCASTER, Secretary.

Representing the Scottish Co-operative Wholesale Society, Limited :

Sir ROBERT STEWART.

Mr. W. GALLACHER.

Representing the Co-operative Productive Federation :

Mr. J. J. WORLEY.

Representing the Royal Arsenal Co-operative Society, Limited :

Mr. J. SHEPHERD.

Representing the London Co-operative Society, Limited :

Mr. J. MATON.

Representing the South Suburban Co-operative Society, Limited :

Mr. H. MARLOW.

Representing the Enfield Highway Co-operative Society, Limited :

Mr. A. H. SAUNDERS.

Representing the Women's Co-operative Guild :

Mrs. E. BARTON.

STANDING ORDERS

GOVERNING THE

Procedure of the Congress.

The Congress Sessions.

1. Provision shall be made for the proceedings of the Congress to extend over four full days of two Sessions each.

2. No Auxiliary Conference shall take place during the Sittings of the Congress, and all social functions, excursions, or visits during the periods allocated for the sessions of the Congress, or which would in any way hinder the work of the Congress, shall be strictly eliminated.

3. The President of the Alliance is responsible for conducting the business of the Congress, assisted by the members of the Congress Committee, in so far as they are called upon by the President to do so.

4. A time-table shall be prepared for the discussion of each subject which shall be strictly adhered to, subject only to such modifications as the Congress Committee may find necessary for the admission of urgent motions under article 23 (c).

Official Languages.

5. The business of the Congress shall be carried on in English, German, and French, but any delegate who is unable to express himself in either of the official languages of the Alliance may be accompanied by an interpreter, approved by the Alliance, who shall interpret from the native language of the representative into one of the official languages; interpretations into the other two languages shall be made by the official interpreters.

The names of personal interpreters must be forwarded to the General Secretary of the Alliance at least two weeks before the date of the Congress. Whenever possible the personal interpreter shall be included in the number of the official representatives of the country concerned.

6. No delegate, except the President in the chair, will be permitted to deliver his speech in more than one language.

7. All printed matter relating to the Congress will be issued in the three official languages. Members of the Congress will be entitled to a set of publications in one language only.

Order of Debate.

8. Delegates desiring to speak on any subject must hand in their names in writing. As a rule they will be called upon in the order in which their names are received, but in the discussion of definite motions the President may call upon supporters or opponents of the motion to speak alternately.

9. Each delegate who rises to speak must address the President and direct his speech to the motion or question under discussion or to a question of order.

10. The proposer of a motion or an amendment shall be allowed ten minutes for his speech, and each succeeding speaker shall be allowed five minutes. Any speaker may be accorded an additional five minutes on the decision of the meeting, the question being put without discussion.

11. No delegate will be permitted to speak more than once on the same proposition, except the readers of papers, who shall have fifteen minutes to reply, and the proposers of motions, who shall have five minutes to reply before the proposition is put to the vote. Such replies must be strictly limited to points raised in the discussion.

12. When more than one proposition or amendment is submitted to the Congress for discussion on any item of the Agenda (except motions of procedure and formal matters) they may be referred to the Resolutions Committee, which shall endeavour to prepare an agreed text to be submitted to the vote at the final Plenary Session of the Congress.

13. When any proposition or amendment has not been approved by the Resolutions Committee, the mover appointed by the delegation concerned shall have the right to speak for ten minutes when the report of the Resolutions Committee is under discussion. Written notice of such demand from the delegation concerned must be handed in before the beginning of the Session at which the vote is to be taken.

14. The proposer of any resolution or amendment shall have the right to be present at the meeting of the Resolutions Committee when the proposition of which he has charge is under discussion.

15. The discussion on any question may be closed by a motion, "That the question be now put." Such motion can only be proposed by a delegate who has not already spoken on the subject under discussion. If the closure is seconded the President shall put it to the vote. If the motion is rejected the proposer of the closure shall have no further right of debate on that question.

16. Dilatory motions, i.e., "The adjournment of the discussion," or "That the matter be dropped," shall be formally moved and seconded and put to the vote without discussion.

The Resolutions Committee.

17. The Resolutions Committee shall consist of the Congress Bureau and six members appointed from the delegates to the Congress not being members of the Central Committee.

The Congress Bureau shall submit for the approval of the Congress at its first sitting a list of six names selected from the official list of delegates, no nation to have more than one representative on the Resolutions Committee.

The President of the Congress shall be *ex-officio* President of the Committee, but may be substituted by one of the Vice-Presidents.

Voting.

18. All motions shall be decided by a show of hands unless ten delegates demand a count or in cases of doubt. Such demand must, however, be made before the President declares the result of the show of hands. The vote on any question may be taken by ballot on the demand of one-fifth of the delegates present.

19. Delegates of the constituent members of the Alliance have the right to take part in the discussion of all subjects on the Congress Agenda and to vote thereon.

20. Fraternal Delegates and Guests of Honour may, with the consent of the Congress Committee, address the Congress on any subject under discussion but may not vote.

21. Organisations which are entitled to more than one vote may entrust their votes to a single delegate, provided, however, that no one delegate may use more than ten votes.

22. The President shall have only one vote. In the case of an equality of votes being cast on any question the President shall declare the proposition "Not carried."

23. Voting Cards will be provided for use in all cases in which a demand for a count is made under Standing Order No. 18.

24. The voting shall be certified by the General Secretary under the supervision of the Congress Committee.

25. Such number of tellers as may be required shall be appointed by the Congress at its first sitting.

26. Personal explanations are only admissible at the end of a debate and after the voting has taken place.

Emergency Appointments.

27. Any delegate whose appointment has not been previously notified can only be admitted by handing in to the Congress Committee satisfactory evidence of his or her appointment.

FOURTEENTH INTERNATIONAL CO-OPERATIVE CONGRESS.

LONDON, SEPTEMBER, 1934.

LIST OF GUESTS AND DELEGATES PRESENT AT THE CONGRESS.

Guests of Honour:

The Right Honourable Oliver Stanley, M.C., M.P.	Minister of Labour of Great Britain.
The Right Honourable Lord Snell	Chairman of the London County Council.
The Right Honourable Arthur Henderson, M.P.	President of the International Disarmament Conference.
Mr. Harold Butler	Director, International Labour Office, Geneva.
Count Paul Starzenski	Ministry of Labour, Poland.
Mr. E. Brundrett	Ministry of Labour, London.
Dr. Adam Mantel	Ministry of Finance, Poland.
Mr. Ullé.....	Ministry of Labour, Spain.
Mr. Valencia Lopez	
Mr. Joseph Farre Santus...	Catalonian Provincial Government.
Mr. Joan Coloma.	
Mr. O. Thorsing.....	Swedish Ministry in London.
Mr. Paul Hjelt	Chargé d'Affaires, Finnish Legation.
Mr. H. R. Cummings	League of Nations Secretariat.
Mr. Maurice Colombain.....	Co-operative Section, I.L.O., Geneva.
Mr. A. Borel	International Commission of Agriculture, Paris.
Mr. F. J. Shaw.....	International Committee for Free Trade.
Mr. C. Chiang	China Co-operative Union.

Central Committee.

Austria	Korp. A. Vukowitsch. Dr. A.
Belgium	Serwy. Victor
Bulgaria	Ganeff. C.
Czechoslovakia	Lustig. E. Modracek. F. Dietl. A.
Denmark	Arnfred. I. Th. Drejer. A. A.
Estonia	Podra, J.
Finland	Tanner. Väinö Raittinen. P. Stavenhagen. E.
France	Poisson. E. Cleuet. A. J. Camin. M. Fauquet. Dr. G. Ramadier. P. Lebon, G.
Great Britain	Hayward. Sir Fred Palmer. R. A. Downie. J. Major. G. Bain. Mrs. E. M. Worley. J. J. Stewart. Sir Robert Bradshaw. W. Fleming. R.
Holland	Boer. K. de
Hungary	Balogh. Dr. E. de Kuncz. Dr. E.
Lithuania	Salcius. Prof. P.
Norway	Juell. A.
Palestine	Sabarsky. A.
Poland	Rapaeki. M. Thugutt. S.
Spain	Roig. J. Ventosa
Sweden	Johansson. A. Gjöres. A. Hedberg. A.
Switzerland	Jaeggi. Dr. B. Suter. Dr. A.
United States	Warbasse. Dr. J. P.
U.S.S.R.	Zelensky. I. A. Variash. E. I.

Delegates of Constituent Members of the I.C.A.

ARGENTINE.

Buenos Aires—"El Hogar Obrero" Rondani. Dr. Dino

AUSTRIA.

Vienna—Zentralverband österreichischer Kon-
sumvereine Domášchko. Frau J.
Korp. A.
Kulisek. Fr. E.
Strobl. Dr. Ludwig.
Thonner. L.
Vukowitsch. Dr. A.

BELGIUM.

Brussels—Office Coopératif Belge Bruyne. A. de
Chèvremont. J.
Deschutter. F.
Dutilleul. E.
Gaspar. A.
Heyman-Coulon. Mme F.
Lemaire. J.
Logen. F.
Neusy. L.
Ronvaux. E.

BULGARIA.

Sofia—Centrale Coopérative "Napred" Nedelkoff. D.
Pentecheff. P.
Pentscheva. Frau H.

Sofia—Société Coopérative d'Assurances et
d'Epargne Ganeff. C.

Sofia—Union des Banques Nationales
Coopératives Wassilev. R.

Sofia—Union des Banques Populaires Palasoff. Dr. I.

CZECHOSLOVAKIA.

Prague—Ustredni Svaz Ceskoslovenskych
druzstev Baca. J.
Camr. R.
Camrová. Frau A.
Hajny. V.
Knytlková. Frau M.
Kameda. K.
Kovanda. V.
Kovandová. Fr. H.
Kovandová. Fr. M.
Lehr. F.
Lustig. E.
Modracek. F.
Necásková. Frau M.
Nejedly. J.
Pobrislo. J.
Skatula. E.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*CZECHOSLOVAKIA—*continued.*

Prague—Verband deutscher Wirtschafts-	
genossenschaften	Dietl. A. Fischer. E. Günzel. Frau M. Pankrac. K. Schreier. R.

DENMARK.

Copenhagen—De Samvirkende danske	
Andelselskaber.....	Bojsen. E. Byriel. M. Emborg. Chr. Hansen. A. Jacobsen. J. P. Jensen. H. Jensen. J. Johansen. I. M. Larsen. N. Madsen. C. Muxoll. H. Nielsen. R. Overgaard. S. Pedersen. P. Petersen. L. Storm. C. J. Suell. I. E. Trautmann. C.
Copenhagen—Det Kooperative Faellesforbund	
i Danmark.....	Christensen. P. Munk. S.

ESTONIA.

Tallinn—Eesti Tarvitajateühisuste Keskühisus	Põdra. J.
--	-----------

FINLAND.

Helsinki—Kulutusosuuskuntien Keskusliitto.....	Aura. J. Heiniavaara. E. Hyvärinen. K. Kallinen. Y. Karhi. O. Laakso. J. Pesonen. A. Primus-Nyman. K. J. Rauhala. K. N. Säilä. H. Takki. Frau L. Toivonen. O.
Helsinki—Yleinen Osuuskauppojen Liitto.....	Alajoki. T. E. Bernhards. Hj. Gebhard. Frau H. Keränen. J. Linna. E. Virkkunen. H. E.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*FINLAND—*continued.*

Helsinki—Osuustukkukauppa R.L.	Haapala. A. Muhonen. A.
Helsinki—Paloapuyhdistys "Kansa"	Manner. Y. Salonen. A.
Helsinki—Vakuutusosakeyhtiö "Kansa"	Aro. E. Kuivalainen. O.

FRANCE.

Paris—Fédération Nationale des Coopératives de Consommation	Baert. —. Baert. Mme. Baudot. Dr. Bopp. —. Bouilly. G. Bricout. E. Brot. M. Buguet. E. Camin. M. Chambraud. —. Cleuet. A. J. Couvrecelle. E. Cozette. E. David. —. Delhay. E. Dutilleul. L. Engel. C. Fauconnet. A. Fauquet. Dr. G. Fauquet. Mme. Fievet. E. Gaussel. G. Gerard. G. Houyvet. —. Houyvet. Mme. Lambert. Ch. Landrieu. A. Lebon. G. Leclercq. R. Lelourdy. —. Lelourdy. Mme. Petot. L. Poisson. E. Prache. G. Ramadier. P. Riehl. Ch. Steibel. J. Vaxelaire. R. Yung. G.
Paris—Chambre Consultative des Associations Ouvrières de Production	Briat. E. Briat. Mme.
Paris—Caisse Nationale de Crédit Agricole.....	Tardy. L. Tardy. Mme. L.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

GREAT BRITAIN.

Walsall	Adams. A.
Gateshead	Allen. Sir Thomas
Cleckheaton	Almond. J. W.
Darlington	Bailey. F. W.
Leith.....	Ballantine. Mrs. J. S.
Manchester—National Publishing Society	Barnes. A.
Manchester—Co-operative Printing Society	Barnes. Rt. Hon. G. N.
Glasgow Eastern.....	Barr. J.
Wishaw	Barr. W.
Colne	Barritt. D. A.
London—Women's Guild.....	Barton. Mrs. E.
Stockport	Bassham. W. W.
Glasgow—Scottish Wholesale Society.....	Beaton. N. S.
Butt Lane.....	Beech. J.
Lincoln	Bell. H.
Birkenhead	Bennett. T. H.
Great Grimsby	Bethell. F.
London.....	Beverley. W. G.
Sheffield and Ecclesall.....	Billam. E.
Liverpool	Black. Mrs. M.
Wigston.....	Bradley. Miss E. M.
Eccles	Broderick. G.
Wellingborough	Brooks. W. H.
Doncaster	Brown. E. G.
Glasgow—Scottish Wholesale Society.....	Buchanan. A.
Manchester and Salford.....	Burnett. Mrs. E.
South Suburban.....	Buttle. F.
Gloucester.....	Bywater. E.
Birmingham	Cardinal. W. T.
Barnsley	Cauldwell. J.
Newcastle-oh-Tyne.....	Charlton. Mrs.
Leeds	Charlwood. J. E.
St. Helens	Cheetham. W.
Barnsley	Clayton. T.
Cardiff	Collins. H.
Derby	Cooke. Mrs. C.
Chard.....	Cooper. N. H.
Rotherham	Copley. W.
Woolwich—Royal Arsenal	Corina. J.
Coventry	Corrie. Mrs. A. E.
Barnsley	Cragg. J.
Beswick.....	Croxall. Mrs. A.
Brighton	Dallaway. W.
Manchester—Co-operative Wholesale Society ...	Davies. A.
Cefn.....	Davies. A. R.
Ynysybwl	Davies. S.
Manchester—Co-operative Wholesale Society ...	Davis. J. T.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*GREAT BRITAIN—*continued.*

Blyth	Dawson, J.
Guildford	Devereux, W. C.
Nelson.....	Dewhurst, Mrs. E.
London—Horace Plunkett Foundation.....	Digby, Miss M.
Manchester—Co-operative Insurance Society ...	Dodds, W.
Vale of Leven	Downie, Miss B.
Dalziel.....	Downie, Mrs.
Hinckley.....	Dowson, W. T.
Falkirk and District	Drummond, A.
Ten Acres and Stirchley	Eccleston, J. T.
Liverpool	Edwards, J. A.
Alloa	Ellis, A.
Radcliffe and Pilkington.....	Emery, E.
Stafford.....	Evans, Mrs. F.
Burton-on-Trent	Evans, W.
Crewe	Farr, C.
Nottingham	Féber, Ll.
Preston	Fisher, G.
Colchester.....	Fisher, H. H.
Lennoxton.....	Flanagan, J. A.
Stapleford and Sandiacre.....	Flanagan, Mrs. J. A.
Bolton.....	Forber, W.
Darlington.....	Francé, Mrs. M.
Stockton	Francombe, J.
London	Gasson, Mrs. M. A.
Manchester and Salford	Gibson, H. M.
Cowlairs	Gibson, W.
Middlesbrough	Goodman, F. C.
Bletchley	Goodwin, J. H.
London	Gosling, R. G.
Leicester	Goude, J. H.
Leicester	Goude, Mrs.
Dumfries and Maxwelltown	Graham, A.
Burslem	Greatbatch, T.
Manchester—National Publishing Society	Gregory, W.
Sowerby Bridge.....	Grinling, C. H.
Annfield Plain	Hall, Prof. F.
Stockton	Hall, J.
Nottingham	Halls, W.
Bristol.....	Hampton, A. E.
Manchester—Co-operative Union.....	Harlow, J. C.
Oxford	Harrobin, J.
Parkstone and Bournemouth	Harwood, F. R.
Pleasley and Pleasley Hill	Hayward, Lady
Manchester—Co-operative Insurance Society ...	Hewitt, W. C.
Bristol.....	Hillman, W.
City of Bradford	Hirst, W.
Rochdale Pioneers.....	Hollows, J.

DELEGATES OF CONSTITUENT MEMBERS—*continued*GREAT BRITAIN—*continued.*

Manchester—Co-operative Union.....	Horricks. A.
Blackpool	Howarth. J. I.
Nuneaton	Hutchinson. B.
Windhill	Hyde. E.
Hillhouse	Hyde. Mrs. E.
Wellingborough—Ideal Clothiers	Jessop. L.
Dover	Jezard. W. T.
Pendleton.....	Jones. J. P.
Kettering.....	Joyce. A.
Manchester—Co-operative Insurance Society....	Judd. A.
Carlisle.....	Kelly. T.
Ten Acres and Stirchley	Kendall. T.
Kilmarnock.....	Kissell. T.
Ashford.....	Knott. J. O.
South Suburban	Koch. J. K.
Southport	Lancaster. R. F.
Glasgow—United Co-operative Baking Society..	Lang. J.
Blaydon	Lawther. T.
Glasgow—Scottish Wholesale Society	Leckie. R. W.
Banbury	Lickorish. W. H.
Salisbury.....	Lloyd. J. D.
Leicester.....	Mann. A.
London	Maton. J.
Stockton.....	Matthews. T.
Newcastle-on-Tyne	McAthey. J.
London—Women's Guild.....	Merchant. Mrs.
Halstead.....	M'Guffin. W. J.
Manchester—Co-operative Union.....	Millerchip. W.
Birmingham.....	Millington. J.
Birkenhead.....	Moors. Mrs. A.
Bath.....	Morgan. C. F.
Addlestone	Mortimore. Mrs. E. I
Eccles.....	Mortimer. G. H.
North Shields.....	Morton. E. F.
Belfast.....	Mulholland. W. J.
Enfield Highway	Mumford. W. D.
Portsea Island	Naysmith. D.
Derby.....	Neal. A.-T.
Tunbridge Wells.....	Neve. J. T.
Wellingborough—Midland Boot Manufacturers.	Newman. J. H.
Paisley Manufacturing	Nisbet. G.
Falkirk and District	Orman. R.
Rochdale Pioneers	Ormerod. T. H.
Oldham.....	Palmer. R. A.
Warrington.....	Palmer. T.
London	Pavitt. Mrs. M.
Chatham.....	Payne. C.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*GREAT BRITAIN—*continued.*

Leicester—Productive Federation.....	Pearson. A.
Jarrow and Hebburn.....	Pearson. I.
Folkestone.....	Pitcher. L. E.
Burslem	Podmore. W.
Droylsden.....	Pogson. D.
Goole.....	Pope. S. C.
Manchester—Co-operative Wholesale Society....	Prater. C. E.
West Calder	Pratt. W.
Sittingbourne.....	Read. F.
London	Redhouse. J. F.
Andover.....	Redman. H.
Woolwich—Royal Arsenal.....	Reid. Mrs. E.
Manchester—Co-operative Wholesale Society....	Riddle. G.
Watford	Ritchie. Mrs. D.
Hull.....	Robinson. I.
Hazelnere.....	Roe. H. W.
Northampton.....	Rogers. W. J.
Ashington.....	Ross. W.
Enfield Highway	Saunders. A. H.
Worcester	Saxton. C. A. W.
Rochester	Searle. S. W.
Chesham and Wycombe.....	Sedgwick. W.
Carnforth.....	Semple. T. E.
City of Bradford	Shackleton. S. W.
St. Cuthberts	Shaw. J.
Bolton.....	Shaw. L.
Kidderminster	Shutt. W. G.
Glasgow—Drapery and Furnishing.....	Simpson. W.
Glasgow—United Co-operative Baking Society	Smith. R. C.
Accrington and Church	Spires. F.
Hull.....	Stark. A.
Dartford	Stephenson. Mrs. M.
St. Cuthberts	Stevenson. W.
Glasgow—Scottish Wholesale Society	Stirling. T. B.
Sheerness	Stuart. V. J.
Long Eaton.....	Styles. Mrs. A.
Greenock Central	Swan. M. S.
Cinderhill.....	Swift. W.
St. Helens.....	Taylor. J.
Slough.....	Templeman. W. J.
New Swindon	Thompson. C.
Glasgow—Scottish Wholesale Society	Thompson. D. C.
Failsworth	Tiffany. J.
Huddersfield	Topham. E.
Warrington	Trepess. H.
Southampton	Vincent. H.
Gravesend.....	Walkling. J. F.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*GREAT BRITAIN—*continued.*

London—Horace Plunkett Foundation	Walter. K.
Rushden.....	Waring. H.
Brightside and Carbrook	Watkins. T. H.
Staines.....	Webster. Mrs. M.
Hyde	West. H. E.
Tamworth.....	Wharton. F. S.
Lancaster	Whitehead. A.
Compstall.....	Wilkinson. G. J.
Abersychan and Talywain	Williams. D.
Torquay	Williams. T. J.
Paisley Equitable	Wilson. D.
Leeds	Windsor. W.
Ipswich	Wingate. W. E.
Morley	Wood. C. E.
York	Woods. Rev. G. S.
Reading.....	Wooldridge. Mrs. E.
Leicester—Productive Federation	Worley. J. J.
Failsforth	Wrigley. Mrs. M.
Shettleston	Young. E.
Chelmsford Star.....	Young. G. N.

HOLLAND.

The Hague—Centrale Bond van Nederlandsche Verbruikscoöperaties	Boer. K. de Doorn. Chr. A. van Doorn-Vonk. Mrs. T. M. van Geurts. J. Th. Geurts van Dyck. Mrs. E. Sluis. R. van Sluis-Voster. Mrs. W. van Verrun. P. J. J. Zwaan. A. van der Zwaan-Prinsenber. Mrs. E. van der
Rotterdam — Coöperatieve Groothandels- vereniging "De Handelskamer"	Vorrink. J. Warmolts. J.

HUNGARY.

Budapest — Magyarországi Szövetkezetek Szövetsége	Balogh. Dr. E. de Kéler. Dr. G. de Kuncz. Prof. Dr. E.
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ÍCELAND.

Reykjavík—Samband Isl. Samvinnufjelaga.....	Magnusson. S.
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DELEGATES OF CONSTITUENT MEMBERS—*continued.*

INDIA.

Lahore—All-India Co-operative Institutes' Association..... Pantulu. V. Ramadas

JAPAN.

Tokyo—Sangiokumiai Chuokai..... Saji. M.
Tsuji. M.

LITHUANIA.

Kaunas—Lietuvos Koperatyvu Taryba Kvieska. V.
Salcius. Prof. P.

NORWAY.

Oslo—Norges Kooperative Landsforening Arnesen. R.
Juell. A.
Loge. S.
Minsaas. J.
Roald. N.
Thon. K.

PALESTINE.

Tel-Aviv—General Co-operative Association of Jewish Labour in Erez-Israel "Hevrat Ovdim" Ltd..... Efter. J.
Hos. Dov.

POLAND.

Warsaw—Zwiazek Spoldzielni Spozycow..... Binder. B.
Czulinski. J.
Dippel. S.
Dominko. J.
Erdman. H.
Erdmanowa. Frau M.
Gralicka. Frl. H.
Haubold. K.
Melion. S.
Przegalinski. B.
Thugutt. S.
Zalewski. E.

Warsaw—Zwiazek Rowizyjny Spoldzielni Wojskowych Inlender. H.
Paslawski. S.

Lemberg—Revisionsverband Ukrainischer Genossenschaften in Lwow Luckyj. O.

SPAIN.

Madrid—Federación Nacional de Cooperativas de Espana Garcia. R. G.
Novajas. R. H.
Ribas. A. Fabra
Roig. J. Ventosa.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

SWEDEN.

Stockholm—Kooperativa Förbundet..... Andersson. G. E.
 Apelqvist. S.
 Backman. C.
 Degerstedt. Hj.
 Eldin. H.
 Engström. A.
 Gruveman. C.
 Holmberg. G. A.
 Jonson. Miss A.
 Molin. R.
 Odhe. T.
 Persson. E.
 Stolpe. H.

SWITZERLAND.

Basle—Verband schweiz. Konsumvereine..... Angst. E.
 Dubach. J.
 Faucherre. Dr. H.
 Frauchiger. Prof. F.
 Gutzwiller-Gschwind. B.
 Hoppli. O.
 Jaeggi. Dr. B.
 Jaeggi, Frau Dr. P.
 Schär. Dr. O.
 Stoeri. R.
 Suter. Dr. A.
 Suter. E.
 Zellweger. O.

U.S.A.

New York—The Co-operative League..... Cowden. H. A.
 Hull. I. H.
 Kallen. H. M.
 Parodneck. M.
 Warbasse. Dr. J. P.

U.S.S.R.

Moscow—All-Russian Central Union of
 Consumers' Societies "Centrosoyus" Butuzova. Mrs. H.
 Gurevich. A.
 Kaminsky. D.
 Kampenius. I. P.
 Kuzmenko. B.
 Pilatzkaya. Mrs. O. V.
 Shibaef. B.
 Variash. E. I.
 Wuhl. M. D.
 Zelensky. I. A.

YUGOSLAVIA.

Belgrade—Fédération Générale des Unions
 Coopératives dans le Royaume de
 Yougoslavie Trajković. B.

PROCEEDINGS
OF THE
FOURTEENTH CONGRESS
OF THE
INTERNATIONAL
CO-OPERATIVE ALLIANCE.

THE FOURTEENTH CONGRESS
of the
International Co-operative Alliance
in the
Central Hall, Westminster, London.
4th to 7th September, 1934.

PREFACE.

The Fourteenth Congress of the International Co-operative Alliance assembled in London under more favourable auspices than were considered possible a year previously when, owing to the stress of the economic depression and the strain of political changes in Europe, the Congress had to be postponed for a year. It was, nevertheless, with some eagerness that delegates to the number of 453, representing the National Co-operative Movements of 31 States, met for an exchange of experiences and a general survey of the affairs of the Alliance after an interval of four years.

The British Co-operative Union, as the hosts of the Congress, had made every preparation for the comfort of the delegates which organised foresight could suggest. It was the first Congress of the Alliance to be held in London since the birth of our "International" at the Society of Arts, in the Adelphi, in 1895. Reflections upon the remarkable growth of the Movement in the intervening period, no less than the vicissitudes and changes through which it had passed, were inevitable. Amongst the guests of the Congress there were no less than four veteran Co-operators who were British delegates at the first Congress, viz., Miss Catherine Webb, Mr. J. J. Dent, C.M.G., Mr. Lewis Jessop, and Mr. W. H. Brown.

The changes that have taken place since then are too varied and numerous to be set out here. Perhaps the most important was that of the Manchester Congress of 1902, when at the end of its first seven years the Alliance shed its initial structure and emerged in the more democratic form of an Association of Societies and National Organisations. Many minor changes have followed in succeeding years, but none so fundamental and permanent.

The London Congress was favoured by the presence of a representative of the British Government in the person of the Minister

of Labour, who charmed the delegates by his frank welcome, sympathetic appreciation of the co-operative idea and of the tasks of the Congress. London's great Municipal Authority, the County Council, was represented by its Chairman, himself "a son of the people" and lifelong worker in the cause of co-operation and labour. The inspiration of the opening proceedings was augmented by the cordial welcome expressed by Sir Fred Hayward, the distinguished President of the British Co-operative Union, and also by the admirable inaugural address of the President of the I.C.A.

The Exhibition of Co-operative Productions, organised by the Co-operative Union, and representative of all the branches of co-operative activity in operation in Great Britain, deserves, indeed demands, mention here. It had been the original intention to organise an International Co-operative Exhibition in London on the occasion of the Congress following the lines of the Ghent Exhibition of 1924. That plan, however, was abandoned partly on account of the economic chaos prevalent throughout Europe, and partly because the formidable barriers of customs duties would add so much to the expense of adequate participation by other countries. The Exhibition at the Crystal Palace was, therefore, a purely national one. It was a truly remarkable display of the very high degree of industrial and artistic excellence which the Movement has attained. In the fine historic surroundings and picturesque situation of the "Great Exhibition of 1851," the productions and services of our modern Co-operative Movement were displayed to advantage. There was a steady pilgrimage of delegates to the Crystal Palace, and Co-operators may be proud that the Exhibition was one of the finest ever staged in London.

The Congress debates were marked by a close and sustained attention to the varied items of a full agenda and covered eight full sessions. It cannot be said, however, that the Congress made any striking decisions in the presence of the menace to full co-operative development in the countries of dictatorship and planned economy; the all-pervading economic depression, or the more permanent changes in the economic order. Rather was there shown a disposition to wait upon events in order that the world-wide eruption of nationalism might work itself out and clarify the trend of the new order. The fundamental Principles of Co-operation received anything but gentle handling by sections of the Congress bent on bringing our basis into line with modern economic change, or of identifying the Co-operative Movement with a particular political creed. Nevertheless, five out of the seven Rochdale Principles enumerated in the Report of the Special Committee received the unquestioned assent of the Congress, and there is little doubt that on the result of the comprehensive study which is now to be undertaken of the whole field of co-operative enterprise, agreement will be reached at the next Congress.

FIRST SESSION.

Tuesday, 4th September.

Mr. Väinö Tanner, President of the I.C.A., presided, supported by the Congress Committee, which consisted of Mr. E. Poisson, Vice-President of the I.C.A., Messrs. R. A. Palmer, Victor Serwy, Dr. B. Jaeggi and H. J. May, General Secretary.

Mr. Väinö Tanner, President of the I.C.A.: According to the decision of the last Congress at Vienna, this Congress should have met in London a year ago, but for well known reasons it had to be postponed. Now that we are about to open the Fourteenth Congress of the International Co-operative Alliance we have reason to rejoice in the fact that it is beginning under good auspices. In spite of the economic difficulties of the time, we are able to welcome a great assembly of delegates, while, with their acknowledged ability, our British friends have indeed taken steps to make us feel quite at home in London. The large attendance of British Co-operators testifies to the fact that the Congress proceedings are being followed with very great interest in this country. The welcome of our British hosts to this Congress will be expressed by Alderman Sir Fred Hayward, Chairman of the British Co-operative Union.

Alderman Sir Fred Hayward said: On behalf of the British Co-operative Union and its seven million co-operators, I have the great privilege and pleasure of extending to you a very cordial and sincere welcome to the Motherland of Co-operation and to this great City of London, which during your stay here will have the added distinction of being the Capital City of the Co-operative Commonwealth.

We welcome you, our fellow co-operative delegates, from whatever country you hail. We welcome you regardless of your class or creed because we share a common acceptance of, and loyalty to, the principles and practice of Co-operation in our daily life. We welcome you with additional cordiality to-day as a manifestation of the spirit of International Co-operation and Fraternity which the world needs more to-day than it did in the quieter times when last we assembled in an International Co-operative Congress. We welcome you, not only as the chosen representatives of the great and growing Co-operative Movements in other lands, but also with the personal greetings due to leaders in our common international cause, and I hope that during your stay we shall be able to give many manifestations of our cordial good wishes and esteem. We shall try to be worthy of the trust which has been handed down to us by those Pioneers to whom we are all indebted so deeply.

We welcome you to Britain, too, because Co-operation is a living force of ever-growing strength. Nearly seven million of our British people are members of Co-operative Societies, and wherever delegates

may go in England and Scotland they will never be far from a branch of a Retail Co-operative Society. With the possible exception of Russia where different conditions prevail and where the Movement is especially favoured by the State, Great Britain is the land in which Consumers' Co-operation has made the most impressive progress. We are not content to rest upon past achievements. The enterprise, the courage and the determination of many of the other National Movements in Europe have stirred us to friendly rivalry lest our premier position should be stolen by some of the young and vigorous sons of that modern Co-operative Movement which had its foundation at Rochdale. To-day the British Movement has an abundant reservoir of energy bringing a new stream of vitality, and fresh hopes for our future progress.

It is well nigh forty years since the first International Co-operative Congress was held in London, in 1895. It laid the foundation and constitution of the International Co-operative Movement as we know it to-day. That Congress opened on 19th August, 1895, and the only great National Movement that was missing was the German Co-operative Movement. The gathering of that First Congress, I am proud to say, owed its inception to a large extent to the enthusiasm of Vansittart Neale, the then Secretary of the Co-operative Union. From that time on the British Co-operative Union has been an unswerving supporter of the Alliance in all its activities. Some of the British delegates to that First International Co-operative Congress are alive to-day. They have the satisfaction of knowing that they erected the first milestone along the road to International Co-operation.

Even in those days, some of the hardest workers and the deepest thinkers hailed from London—a London which consisted, co-operatively speaking, of a number of small struggling Societies whose total membership was not more than 40,000, and whose trade at that time was comparatively insignificant. Virtually all those Societies have ceased to exist, but from mergers have arisen the four great Societies which operate in the Metropolitan area. The International Co-operative Alliance meets to-day in a city which is estimated to contain nearly a million co-operators—a city which contains the largest Retail Co-operative Society in the world, the London Co-operative Society with its 486,346 members, its £7,708,526 share and loan capital, and which, together with its three large and important neighbours, the Royal Arsenal, South Suburban and Enfield Highway Societies, now collectively makes a Metropolitan membership of 927,052, share and loan capital of £14,727,817, and, last year, an annual trade of £21,140,254. Nowhere has the progress of Co-operation in recent years been more swift and dramatic than in London.

I recall the splendid speech of that notable co-operator, Dr. Karl Renner, who had the privilege four years ago which I exercise

to-day, of welcoming an International Co-operative Congress to the capital of his native land. At Vienna, on that occasion, Dr. Renner was able to tell us of the success that had been won in recent years in face of terrible difficulties and hardships in his own capital city. Dr. Renner was speaking not only for the Austrian Co-operative Movement which he had helped to build and to rebuild, but also for that wonderful reborn Vienna which he and so many other co-operators had planned and carried into a fulfilment that had earned the admiration of the world. Like the Vienna of 1930, the new London of to-day owes much to the spirit and the work of latter-day co-operators. We are proud to think that the leaders of the new London, only recently placed in a position to give expression to their civic plans and ideals, are co-operators of whose record we are extremely proud. Lord Snell, the new Chairman of the London County Council, whom we welcome here to-day, has been a devoted and splendid worker for the Royal Arsenal Co-operative Society and we hope that he and so many of his colleagues trained in co-operative work will be able to rival the achievements of those Viennese who gave us such a hospitable reception at our last International Co-operative Congress.

I am myself deeply concerned with the civic variety of Co-operation, as well as our own Voluntary Co-operation, and the responsibilities which I have been privileged to share in both spheres of activity have convinced me that co-operators are eminently qualified to carry out co-operative principles whether they be applied to national, municipal, economic, or social problems.

I am going to end my speech as I began it, by an expression of the most cordial welcome it is possible to give to our overseas friends who are delegates to this International Co-operative Congress in London. It is the fervent hope of all of us who believe in the efficacy of the Principles we espouse that this Congress may sound a note that will re-echo through the chancelleries and the market places of the world, arousing the people of all nations so that they may find in Co-operation that constructive force and conciliating spirit which is direly needed in both national and international relationships.

THE GUESTS OF HONOUR.

The President: I will now call upon the Right Honourable Oliver Stanley, Minister of Labour, who will greet the Congress on behalf of the British Government.

The Right Honourable Oliver Stanley said: It is a great privilege for me to welcome you here to-day to our shores, both as Minister of Labour and as a member of His Majesty's Government. It is peculiarly fitting that I, as Minister of Labour, should undertake this task, because I believe that my Ministry has been represented ever since its existence at your Congresses by an official observer.

He is not there, of course, to take any part in your deliberations, but he is there to collect those statistics and to hear those reports without which, now, any picture of working-class life is incomplete.

Sir Fred Hayward, in his Address of Welcome, has stated that it is thirty-nine years since the Congress first met in London, and this, I believe, is the first occasion since that time that you have returned to your birthplace. What tremendous changes have taken place in that interval! London has changed its face; it has changed its streets, has changed its habits, even—witness Lord Snell—has changed its Government. In the outer world even greater changes have taken place, and in the stress and the turmoil of those thirty-nine years powers, methods, ideas have sunk, and new powers, new methods, new ideas have arisen. It says much for the strength of a Movement such as yours that it has withstood the passing cataclysms with such resilience and with such success.

You have, I see, upon your Agenda a number of difficult topics for discussion, and you start to discuss them with at least one advantage. It is your declared principle of neutrality in politics and religion. I sometimes wonder, and then dismiss the thought as being more suitable to a world of Utopia or Erewhon than the world to-day, what would happen if politicians had to approach political problems under the same embargo! Probably Lord Snell and I could retire into the anteroom and in a few minutes settle to everyone's satisfaction the affairs both of this country and of the world with conciseness, celerity and, above all, common sense. But there is one item on your Agenda which interests me more than any other, and the presence of which in your discussion gives me the greater hope for the future. It is that topic proposed for discussion by your French colleagues, the problem of the future use of leisure. I can imagine no question which has greater importance to-day, or is likely to have greater importance in the future, than that problem which your French colleagues are asking you to discuss. I remember some twelve years ago now, under the leadership of Lord Haldane, whose name will be familiar to most of you, some friends of mine and myself, of all political parties, starting the British Institute of Adult Education. We started it in the first place, of course, because we thought it filled a need in the adult educational system of this country. I am sure that the driving force behind all of us in making that new venture was a recognition of this grave problem of the use of leisure, a problem which differs only in its extent, whether it is the voluntary leisure of shorter working hours or the enforced leisure of whole-time unemployment, and I think it is something from which we can draw a great deal of hope that a Congress such as this should have placed such a topic upon its Agenda paper for discussion.

Now, it is, of course, conventional that I should wish you a successful outcome from your deliberations, but I am not really sure whether the success of your deliberations is quite as important

as the fact that you have deliberated, whether, really, the most important thing that this meeting of thirty-nine countries has done is not just to meet, to give to the representatives of all those countries a chance, at a time when only too much stress is being placed upon the divergence of national interests, to stress in their turn the community of human need. I wonder whether, perhaps, the most important thing is not just that you should have had this opportunity of meeting each other, of getting to know each other's point of view, because, after all, among people of different countries, to borrow and distort a well-known phrase, *Connaître c'est au moins un peu comprendre*. I look on meetings of this kind as being in the nature of peace conferences, peace conferences which have the peculiar advantage of being held not to end a war but to prevent it. You have an opportunity of learning here and of demonstrating to others, despite apparent differences, the essential similarity of human beings and the essential unity of their aims and their needs, and it is because of that, as a member of a Government longing for peace and the prosperity which only peace can bring, dreading war and the cataclysm which war must make inevitable, that I tender you a welcome to these shores, and hope that when the time comes to leave them you will take away with you many recollections of personal friendship and a sincere belief in national goodwill.

The President said: I will now call upon Lord Snell, the Chairman of the London County Council, to greet the Congress on behalf of the Municipality of London.

The Right Honourable Lord Snell said: It is my great privilege to welcome you on behalf of the London County Council at your Congress here to-day. As you have been reminded, your first conference was held in this city, and you return to it at a time of great crisis. Civilisation is in the grip of destructive forces which are only at present imperfectly understood. You are holding your Congress at a time when the contest between the two opposing principles of unregulated competition and ordered co-operation is being conducted with unexampled keenness and feeling, when the principles of democracy and of individual freedom are being fiercely assailed, and when the peoples of the world are being invited or coerced to desert the democratic principles to which they have been attached, and to promote or defend experiments which promise to reward them with quick and easy solutions of the problems confronting us.

In London, we have nothing of this kind to offer you. You will find that the British people are still loyal to the principles of individual and corporate freedom, and that their faith in their historic traditions and institutions remains unimpaired.

I am speaking here to-day on behalf of the people of London when I say that we are glad that you have elected to have your Congress in this great and ancient city, and we hope that it will be successful and that you will have a happy and encouraging time amongst us.

In my position as Chairman of London's greatest representative and administrative body, I may not express any opinion upon the proposals that will come before you for consideration ; but I shall watch your debates with a keen personal interest. Before your verbal battles begin, it is perhaps permissible for me to remind you that you are meeting under the very shadow of the Mother of Parliaments, whose faith it is that only through tolerant criticism and constructive suggestion can the greatest good be secured.

The International Co-operative Alliance is based upon the belief that at all times and under all conditions the principle of co-operation is wiser, safer and more fruitful for good than that of conflict and competition. It is the servant of a principle which extends happiness, promotes prosperity and ensures peace between both individuals and nations. This principle began to be operated when the limited good of the individual and the family was extended to that of the tribe, and its blessings have been increased as it has been enlarged to include the parish, the city and the nation ; and we are now trying through the League of Nations, the International Co-operative Alliance and scores of international organisations to transcend the barriers of nationality and endeavour to reach a common and world-wide good.

Will our foreign guests permit me to remind them of the not always remembered, but highly significant, illustration for the working out of administrative, economic, political and social questions—that there are between fifty and sixty separate efforts being made by peoples of different races, religions, customs, in various degrees of social development, to achieve self-government under the principles of the British constitution, and, whenever the Imperial Conference meets, the reports of these many experiments make as fascinating and satisfactory a story as any nation-building people could desire.

As I understand your work, the International Co-operative Alliance is also endeavouring to develop in all parts of the world the principle of co-operation, and your Congress to-day represents this effort in thirty-nine countries or states ; its membership includes 140 National Organisations, 100,000 separate Co-operative Societies, with some 100,000,000 enrolled members. This mighty host are united in loyalty to a common principle, inspired by a common end, and associated for a common purpose. The International Co-operative Alliance seeks to help them in their work, to place at the disposal of each Society the experience of all the rest. Its principles are broad, democratic, and universally applicable, and the harvest of its labours is peace, prosperity and goodwill among men and nations. May your Congress help towards that great end.

My last words must be reserved for your guests and London's visitors from other nations. They will find London a friendly

and homely place. It is the capital of an island people, and it is a typical product of the British temperament and genius—solid, dignified, restrained, but essentially hospitable and reliable. London's claim to their goodwill is not the grace of a polished idleness, nor that of a smiling insincerity—it is rather that of a generous tolerance, loyalty to her old traditions and representative institutions and an undying love of individual freedom. She does not rush to embrace her visitors, but in her own shy way she extends to them the glad hand of welcome, and she invites them to make themselves at home.

It is a great privilege to be able, on behalf of the London County Council, to be present at the opening of your Congress, which I hope will be a great success.

Mr. H. J. May, General Secretary, said: The President has entrusted me with a responsible but agreeable task. His only excuse for handing it over to me is a want of readiness on the spur of the moment with our beautiful language! That task is to ask you to express by acclamation your appreciation of the presence here and of the speeches of the Right Honourable Oliver Stanley, the British Minister of Labour, and of Lord Snell, the Chairman of our great Municipality. Mr. Stanley has come to us at some personal inconvenience—I will not say sacrifice—in travelling to London from the north of England, where he had been on holiday, in order that he might be here this morning to greet you as a member of His Majesty's Government. We have held rather strongly to the desire that on this rare occasion, when the Congress is meeting in the British capital, where it had its birthplace, the Government should be directly associated with our gathering. That in itself is a great satisfaction. It is equally gratifying to have the excellent and inspiring address which Mr. Stanley has given to us this morning. The British Minister of Labour has behind him a great family tradition, which is respected and honoured in this country apart from politics, apart from creed, apart from personal prejudice even, in a way which, I venture to suggest, is nowhere so fully realised as in Great Britain; and this morning I am sure that I am the interpreter of your wishes when I ask you to express to Mr. Stanley your great appreciation of his presence and your thanks for his address.

I am going to couple with it—because both these gentlemen have large public duties to perform, and are anxious to get away—a similar vote of thanks to Lord Snell as the representative of this great Municipality of London. He has rendered us this service this morning not merely in the perfunctory manner of the official head of a great institution, but as a man who has spent his life in continued effort for working-class associations and for democratic associations in general, always those with high ideals. Not the least of his achievements consists in the very important and interesting part which he plays in the affairs of London's municipality.

Without detaining you further, may I ask you to demonstrate by acclamation your sincerest thanks to the Right Honourable Oliver Stanley and to Lord Snell.

The vote of thanks was carried by acclamation.

ADDRESS OF THE PRESIDENT.

Mr. Väino Tanner, President of the Alliance, then proceeded to deliver his Inaugural Address: Four years have passed since we last met one another at the Congress that was held under the sunny sky of Vienna, which all the delegates will long remember with great satisfaction. These years have in many respects been among the most eventful ones in the history of humanity. They have been overflowing with big difficulties that have sorely afflicted great masses of the people. When we gathered in Vienna we had already felt the first shakings and convulsions of the economic earthquake. However, none of us could then surmise the magnitude of this catastrophe. Now we know it, after all the heavy experiences.

On this occasion there is no reason to go into a detailed description of the extent of the destruction and collapse that world economy has passed through. We can only briefly testify to the fact that the world has never before experienced such an extensive and so profound an economic crisis as this one. Mostly due to economic causes, the political life of Europe also and, we may safely add, almost the rest of the world, has acquired quite a new tone and aim that certainly does not suggest early return to prosperity, nor to a state of lasting peace. The nations are aiming at autoocracy, and they have become involved in an economic war with one another, causing at least as great a destruction as the armed war previously. This economic war is threatening to annihilate the earlier great economic achievements that are based upon the free exchange of human beings and goods, upon international division of labour, and confidence.

Indeed, the essential foundation of capitalist economy, the free fixing of prices, had already previously suffered several hard blows through the operations of trusts and cartels as well as through the price-struggle aiming at individual advantage. Had the nations been sufficiently inspired by the co-operative spirit and the world Co-operative Organisations sufficiently strong, then this trouble could easily have been overcome and a step forward taken by organising international economy to serve common welfare, and by making it a real economy for the benefit of the great masses of the nations. Unfortunately, we had not yet strength enough for this. Instead of drawing the right conclusions from the crisis that had overtaken the capitalist economy, and going forward by abandoning it, we have during the last few years gone a long way backwards. Thus, instead of mending this finely constructed economic machinery

when it had developed defects that threatened its smooth running, and putting it once more into running order, its operations have, on the contrary, been rendered still more difficult by throwing sand into its wheels. The result has been that during the prevailing protectionist period the trade of the world has been reduced to about one-third of what it was formerly, and industrial production has, with the exception of Japan, been greatly curtailed in all the most important countries. One need not be much of a prophet to be able to prognosticate that the nations in this way are preparing an inevitable and lasting poverty. We say in my native country that "A Finn never believes until he has tried." The events of recent years give one cause to believe that the same definition may also be applied to other nations. Let us only hope that experience and research may not be very expensive to the nations, before the right way dawns upon them.

Due to economic difficulties, the last few years have been extremely gloomy, particularly to the poorer classes. Tens of millions of manual labourers have been forced to make the observation that the world is no longer in need of their work, and they have had to suffer all the curses of unemployment. Due to the consumption crisis and the collapse of prices, innumerable farmers have had to leave their homesteads. As these classes of people constitute the main body of supporters of co-operative enterprises, it is not difficult to understand that the economic system that we represent has also been made to hear the raging of the storm against its walls. Nor can we wonder that our Movement has had to suffer some temporary and less important damages. It is, however, pleasing to ascertain that its foundations have remained firm. In so far as there has been a question of purely economic difficulty, it has been overcome in a way that has fully come up to the expectations that millions of families of co-operators have cherished. The sales turnover of our Organisations have, indeed, decreased in some places, but this has usually been comparatively small and mostly due to a drop in the price level. Elsewhere the business turnover has remained unaltered, and in some cases it has continuously increased, in spite of all difficulties. Indeed, one feels happy in stating the fact that whilst thousands and thousands of private business enterprises have collapsed and left their workers to the mercy of the winds, our co-operative economy has, during all these difficult years, been able to offer work in an almost normal way. Here also one can clearly see the difference between co-operative economy and private economy. The latter is like an old-fashioned sailing ship that stops as soon as the wind drops, leaving its passengers to the mercy of hunger and cold. Co-operative economy, on the other hand, is a ship fitted with reliable machinery that takes everybody on board to his destination.

Confronted by all these facts, is it not cause for astonishment that the co-operative economy, just during these last few years, should have been exposed to more bitter attacks than ever before? At the previous Congress I had reason to refer to an opponent, "who is powerful, possesses the powerful weapons of capital, and is strongly organised for the purpose of opposing us." Since then this opponent of ours has gone to the attack in all countries, and this attack appears simultaneously and in similar ways, proving that it has been commonly planned. Not even mentioning those countries where the Co-operative Movement as a result of political upheavals has lost its independence, and as a result of which our Alliance a year ago lost one of its most important and most valued members, there have been attacks everywhere along the economic line. The methods employed have everywhere shown similar features. The most common trick has been to deceive people by stating that Co-operation flourishes thanks to taxation privileges and with the support of the State. At a time when practically all private enterprise is living under the shelter of high customs duties, and also in other ways by the support of the State, the fostering of such a suspicion is a deliberate deceiving of the people. Indeed, Co-operation is really the only sphere of economic life that has nowhere asked anything else of the State than what Diogenes asked of Alexander, "Do not hide the sun from me," or as our Swiss comrades in one of their publications have said so appropriately, "Do not prevent our work and the growth of our Movement." It is strange to note that at a time when private enterprises should have more than enough to do in looking after their own affairs and in trying to bring their own share of economic life into at least the most primitive order, they are trying to put obstacles in the way of the operations of Co-operation, the only economic system that has with honour disentangled itself from all difficulties. Perhaps it would be too daring to suppose that the underlying purpose of these attacks is to prevent the world from seeing the decay of private economy itself.

It was our intention four years ago that our next Congress, according to the statutes, should be held after a period of three years, thus already a year ago. The chaotic state of the world that I have depicted above, however, made the Executive doubt at the last moment whether the Congress would be a success, and as we at the same time entertained hopes that the situation would improve, it was decided to postpone the Congress until this year.

Instead of the projected Congress a Special Conference of a more limited scope was held last year at Basle. The subjects chosen consisted exclusively of economic questions, and it was the intention to prepare for the World Economic Conference that soon thereafter would meet in London. Indeed, the co-operators prepared their programme, but this the London Conference did not do, although it had succeeded in mobilising all the economic wisdom

that was to be had in the world. But as each country was only selfishly thinking of its own interests, the whole effort ran out into the sand. Then it became evident to the world that a way out from the economic difficulties would take a very long time and demand plenty of new sufferings.

Although the situation has not greatly changed since last year we have now gathered together bravely in this Congress of ours in the conviction that it will be a success in the midst of all the chaos. In a way we are now hopeful excursionists on the spot where the Alliance was born. Indeed, after suffering many throes of gestation, it was here that the International Co-operative Alliance finally saw daylight. Next year 40 years will have passed since this notable event. At 10 o'clock in the morning of the 19th of August in 1895 Earl Grey, in the Hall of the Society of Arts, London, opened the Meeting that became the Constitutive Congress of our Alliance.

The list of delegates to that First Congress was, from a social point of view, a very illustrative and representative one. But its idealistic background, as well as its aims, were still very far from clear. However, there was manifested a great deal of enthusiasm, interest and faith, good and inflexible will to improve the conditions of this world. In spite of its weaknesses that Congress became a turning-point in the International Co-operative Movement. The President of the first Congress, the veteran Christian Socialist, J. M. Ludlow, struck the right note when, in his welcome to the foreign delegates, after first having mentioned that a great deal at that time had been spoken about the decadence and "fin de siècle," he continued: "For those who carry a high heart, for those who work, for those who help one another, the centuries never end, they are always beginning. This first Congress of International Co-operation, is it not a new century, a new epoch, which opens?"—and, indeed, that Congress started a new century for Co-operation.

During the decades that have passed since those August days of 1895, most of the delegates who then were present have passed away. Edward Vansittart Neale, who was one of the founders of the Alliance, had died before the Congress was held, and Emile de Boyve has for a long time left our circle. Gone are also George Jacob Holyoake, Edward Owen Greening, Sir Horace Plunkett, and many others. I do not know whether we to-day have the honour to see in our midst a single one of the men who founded the Alliance and who started the new century. In any case we are to-day greatly thankful to those men who arranged and took part in the first Congress, and we pay homage to their memory.

Twelve Congresses have been held since that first Congress, two of them on British soil, but not a single one in London. During this time our Alliance has passed through all kinds of phases. It has had its fumbling start, upon which followed a difficult and critical period, threatening its very existence. Then followed a

period of clearer vision, organisation, and joint action. This was broken by the world war, after the close of which we again reached more stable forms of operations. Just now we are again confronted with a critical period that is threatening the operations and influence of our Alliance. This has been caused by changed political conditions that have led to the resignation of some National Organisations from the Alliance. We may, however, be convinced of the fact that this does not mean any more than the previous critical periods in the history of the Alliance. Such is the law of life: the work of reform is rolling forward by fluctuations. Difficulties gather and progress is retarded, but they are vanquished, and the Movement goes forward once more. To overcome difficulties is to reformers nothing but the essence of life.

Now, gathering for the first time after the foundation of the Alliance in London, it seems as if the Alliance had returned to the home of its childhood. We are gathering here with pleasant and safe feelings, for we have here, if I may be allowed to say so, rich and powerful relatives—the strong Co-operative Movement of the British Isles. Without this strong uncle our Alliance might have become a reed shaken by the winds. Indeed, at the start the British Co-operative Movement alone upheld the economy of the Alliance whilst the co-operators of the continent thought they had done enough when they sent their representatives to the Congresses.

There has been born in this country a powerful capitalist economy. It is also one of the centres of the financial world, the homeland of the old social traditions, of the great economic forces, of famous science and art, of a nation that has organised big seas and continents. But this country has also given Co-operation to the world, and, above all, the crowning Organisation—the I.C.A. We have thus gathered together on stable co-operative soil, in the country of an old and powerful Co-operative Movement. Also in this great city of London the history of Co-operation is worthy of respect. Indeed, its origin here goes back more than a century. At the present time there are in London two of the world's biggest Co-operative Societies. The four Co-operative Societies of London comprise together almost a million members. Co-operative visitors have here much to see and to learn.

Old English tales tell us about King Arthur and his famous table that one could take with oneself wherever one liked. Round the same there could be seated more than one thousand people, and all enjoyed a happy company, and all were equals, high and low. I have not seen King Arthur arriving here to our Congress, nor have our British friends arranged for that famous table of King Arthur to be carried here. But I believe that the co-operators of the world always carry with them a table of this kind. Wherever they gather there always exists among them the same spirit that in bygone days gave birth to this magic table.

Such a feeling of solidarity will certainly also prevail at this Congress which is gathering at a most serious time. The duty of all of us is not only to estimate the work that has been done in the time past, but before all to strengthen the policy of the Alliance for its future operations. On account of the obscurity of the time, our Congress programme has a somewhat more condensed character than was originally intended. Our Economic Programme that is being worked out has, for instance, only reached its general outlines instead of a detailed programme. But it is of greater importance that the general outlines of our future operations shall appear more distinct by the decisions of this Congress to the co-operators of the world, and shall show our opponents that there exists a determined spirit among ourselves.

On behalf of the Central Committee I have the honour to wish you all, esteemed delegates, a hearty welcome to this important constructive work.

RECEPTION OF FRATERNAL DELEGATES.

The General Secretary: The delegates will see from the printed list of delegates that we have the longest and the most distinguished list of Guests of Honour of recent years—I think even since the Alliance was constituted—of Government representatives and representatives of other International Institutions. I want to make the Congress aware also of one or two others that are not quite in evidence. From the Governments of France, Denmark, Norway and Switzerland we have received letters of excuse for their inability to send representatives specially to London, but conveying their good wishes for the success of the Congress. The representative in London of the U.S.S.R. is unable to accept an invitation but has sent a letter of cordial greetings. The Director of the International Labour Office, who, I believe, is detained by celebrations that are more closely related to his particular work, has accepted our invitation, and has sent his good wishes. Mr. Butler will come to greet the Congress on Thursday morning. By some system of telepathy he seems to have been in accord with the President of the Disarmament Conference, the Right Honourable Arthur Henderson, who is detained in the same place; and he also will address the Congress on Thursday morning next.

We have just received a telegram from Lithuania which says: "Over 4,000 representatives attending the Congress of the Tenth Anniversary of the Co-operative Dairies which took place in Klaipeda (Memel) the second day of this month are sending co-operative greetings to the representatives of the International Co-operative Alliance taking place in London on the fourth day of this month, wishing the successful fixing of valuable directions for the advancement of the world's Co-operatives."

Signed: The Congress Presidency of the Dairy Organisations.

I ought also to emphasise the fact that from Spain we have a double delegation, one from the National Government at Madrid, in the persons of Mr. Ulled, the Under-Secretary of State for Labour, and Mr. Valencia Lopez, Administrative Head of the Ministry of Labour, and two delegates representing the Provincial Government of Catalonia, Mr. Joseph Farré Santus and Mr. Joan Coloma.

The President : It is a great pleasure to us that the presence of so many Guests of Honour on this platform shows how great is the desire to honour this Congress of ours. We are specially glad that the Government of Great Britain has seen its way to be represented by the Minister of Labour, the Right Honourable Oliver Stanley, and that the great municipality of London is represented by the Chairman of the London County Council, Lord Snell.

The Chairman of the International Disarmament Conference, the Right Honourable Arthur Henderson, has also announced his intention to be present, together with Mr. H. B. Butler, the Director of the International Labour Office, Geneva. Representatives of various Governments, as well as of Organisations of great authority, are also to be found among our Guests of Honour.

Highly respected Guests of Honour, on behalf of the assembled delegates I have the honour to welcome you to this 14th Congress of the International Co-operative Alliance. Its aim and object will be to try to find the means by which we may improve the conditions of living of the great masses of people, and also to safeguard the interests of 100,000,000 organised Co-operators. By your presence here you have shown your sympathy with the work we are carrying on. We very highly value this fact, and we bid you heartily welcome.

Some of our guests have expressed a desire to convey the greetings of their respective Governments and Institutions to the Congress. First of all, I will call upon Count Paul Starzenski, who represents the Polish Government.

Count Paul Starzenski, representing the Ministry of Labour, Poland, said : On behalf of the Polish Government, I have the honour to greet the International Co-operative Alliance. In a recent speech, Mr. Kausaski, the Prime Minister of my country, emphasised the importance of the Co-operative Movement with regard to economic and financial questions. You may be assured that my Government will follow your deliberations with great interest. I have the honour to express to you its best wishes for the success of your Congress and the hope that your deliberations may have good results.

Mr. Valencia Lopez, representing the Ministry of Labour, Spain, said : It is in the name of my colleague, Mr. Ulled, Under-Secretary of State for Labour, that I rise to speak.

In the name of the Government of the Spanish Republic, I have the honour to give a cordial greeting to all the countries represented at this Congress, and with which my country desires to have always

the most friendly relations ; to the International Co-operative Alliance, whose Central Committee has kindly invited my Government to send a delegation to London to take part in this important assembly ; and to all its affiliated Co-operative Societies, to which I express sincere admiration for their splendid efforts to raise the standard of living of the poorer classes of the community.

The Spanish Government, in sending this delegation, has wished to affirm once again, as a basic principle of the Republic, its desire for social peace by the amelioration of the standard of life of economically weak individuals by means—amongst others—of Co-operation, which increases and dignifies the spirit of citizens who through Co-operation succeed by their own efforts and by their collective goodwill in solving problems of the greatest importance. I should like to emphasise, in this connection, the virtue which lies in Co-operation : the more the Co-operator renounces his own individuality, and the more he acts disinterestedly and solely for the good of all, for the collective good, the greater and the more advantageous are the benefits which he derives. Indeed if there is any Organisation from which self can be banished it is the Co-operative Movement.

The problem of Co-operation in Spain is in a very weak and elementary position. This is explained by the deeply rooted idea of individualism which, for centuries past, has produced famous personalities in the realms of science, art, and literature, and the wonderful colonisation achieved in the existing sister-Republics of America. But in the State of to-day, solidarity is the most powerful method of development for society, and the Spanish State is very anxious to support and to encourage all that the Co-operative Movement represents.

Spain is a country whose wealth lies chiefly in agriculture ; without minimising the importance of other forms of Co-operation—especially Consumers' Co-operation—we consider that Agricultural Co-operation is capable of solving in a friendly manner the serious problems which arise in rural districts by raising the economic and moral standard of living of the small property owners and the workers.

There is still another task we have to accomplish, and that is the formation of the future co-operative phalanx which is being realised by means of intensive work amongst children, undertaken by the Co-operative Educational Societies. The great public educational and instructional work achieved by the Republic will not be complete unless it is accompanied by the knowledge of co-operative principles. In this way ties of mutual help and of solidarity, the basis of all disciplined society, will be formed which will also give the necessary qualifications to those who are concerned with the management of Co-operative Societies to enable them to fill the most important public positions.

That is the task of my country as regards Co-operation. As for ourselves, the delegates of the Spanish Government, we come, in the first place, to fraternise with you and then to learn, with deep gratitude, the lessons which your wonderful experience will not fail to give us for the development of Co-operation in Spain.

Mr. Joan Coloma, representing the Provincial Government of Catalonia, said: On behalf of the autonomous Government of Catalonia, I wish the best success to your deliberations.

Our district has taken advantage of the autonomy which it has acquired in the Republican régime to stimulate the corporative movement and, by making use of the powers granted it by the constitution, the Catalonian Government has passed a general law for Co-operative Societies, Agricultural Syndicates and Associations for Mutual Aid, and also special laws for each of these different groups. In this general law is inscribed the essential principle of Co-operation, that is to say, that of the International Co-operative Alliance. But we do not think the law itself would be very much good unless it were accompanied by the keen desire of the autonomous Government to help in the development of free Co-operation by making known to all the advantages of the co-operative system. We also believe that Co-operation is the most effective means for the better ordering of our agricultural economy and for the establishment of sound relations between agricultural producers and the consumers in industrial towns.

At the present time, when so many problems confront the Governments on account of the economic crisis which is affecting the whole world, and of the social, political and moral consequences arising therefrom, the autonomous Government of Catalonia sends the Congress its most sincere wishes for success. That peace and understanding between the Co-operators of the world may be the outcome of this assembly is the wish that I desire to express as the representative of the autonomous Government of Catalonia.

Mr. H. R. Cummings, representing the Secretariat of the League of Nations, said: I bring you the greetings of the Secretary General of the League of Nations. If the League of Nations means anything, it means co-operation, and though ideas differ and change as to the ways of co-operation, your experience, I expect, like that of the League of Nations, has been that co-operation is not always easy, and yet there is a vast degree of national goodwill in the world ready to be constructively directed. The League and the Secretariat have always endeavoured to keep in friendly and working contact with representative organisations, and they have definitely done so with this great International Co-operative Alliance. Its widespread international character gives it an obvious importance, and a special significance in the consideration of international questions, which the League has always recognised. The Alliance has placed its experience at the disposal of the League on various occasions,

and the Alliance itself, I hope, has found value in the League as a focussing agency, as a centre where all kinds of international problems are threshed out, and as a source of international influence.

My presence here as the representative of the Secretary General may, I hope, be taken not only as an expression of the friendly co-operation which has hitherto existed between the League and the Alliance, but also of the desire to continue every possible kind of fruitful co-operation in the future.

Mr. Maurice Colombain, representing the Co-operative Section, I.L.O., Geneva, said: The Director of the International Labour Office, who greatly regrets that he cannot be present at the opening ceremony, has asked me to thank you for the invitation extended to the International Labour Office to greet this Congress, as the imposing manifestation of the rôle which the Co-operative Movement plays in the economic and social life of the world.

For twenty years, from 1910 to 1930, the International Labour Office was represented by Albert Thomas, who also took an active part as a Co-operator in each Congress of the Alliance. From the time he became Director of the International Labour Office he showed, at these Congresses, two sides of his versatile personality, first by bringing to the International Co-operative Movement the hearty greetings of the institution whose destiny he was shaping and, immediately afterwards, by taking his place amongst the French delegation in order to participate in the discussions with all the ardour of his faith and the enthusiasm of his spirit, which, foreseeing the direction of events, led him to anticipate the events themselves. There is no need, in your case, to recall him to your memory. Neither is it necessary for me to remind you of what he, as Director of the International Labour Office, wished to do for the Co-operative Movement. The union accomplished at the outset by Albert Thomas was not contrary to nature. It was founded on the ideal of human progress, order and justice, which is held in common by the International Co-operative Alliance and the International Labour Organisation.

For Albert Thomas, the work of the International Labour Organisation was condemned to remain incomplete unless it could join with all other efforts of the same nature that were developed on other lines; for, side by side with the mechanical action of compulsory laws, there must be the organic action of institutions and the educative action of associations within which the sense and the habit of independent, responsible and collective activity are born and develop. If close and cordial relations with the Co-operative Movement were necessary to the International Labour Organisation for the fulfilment and the usefulness of its work, it was legitimate to hope that this collaboration would also be useful to the Co-operative Movement itself.

The fact is that co-operative activity—almost entirely absorbed in quiet, patient, constructive work—is but little inclined to favour spectacular demonstrations which would seize the imagination of the public. As a result, it is too little known outside its own immediate circle ; its present and future importance are too often misunderstood, so much so that the Co-operative Movement which, since its foundation, has steadily progressed, and, of all the social movements, covers the greatest geographical area, has the greatest number of members, interests the greatest number of social classes, continues, in certain spheres, to be treated contemptuously or suspiciously, that is to say, ignorantly.

The International Labour Office, on its side, can, through its own means of diffusing knowledge, help to supply those outside the Co-operative Movement with objective and more complete information regarding the dimensions of this Movement, the various forms in which it appears, its aims, ideals and achievements. These are some of the possibilities of collaboration which Albert Thomas desired. Is there any need for me to add that the present Director of the International Labour Office, Mr. Harold Butler, is firmly resolved to maintain the traditions established by his predecessor, and to remind you that he emphasised the great interest which he has in the Co-operative Movement when the opportunity offered itself for him to accept, in succession to Albert Thomas, the Presidency of the International Committee of Inter-Co-operative Relations ?

Mr. F. J. Shaw, representing the International Committee for Free Trade, said : I want to say what a great pleasure it is to me, as the Secretary of the International Free Trade Committee, to come to this Congress. That pleasure is enhanced by the fact that I feel that the great objective is to bring people together and enable them to have a better standard of living than they have at present. In the great Co-operative Movement is the strongest force to-day for bringing the world round to the direction of co-operative confidence and mutual aid for which you stand. In our opinion there is no Movement more capable than yours of spreading the knowledge of the principles of free trade.

What have most of the organisations of the world been doing ? Faced with the fact that we can produce far more than we can sell, they have tried in every way they can, each against the other, to limit the amount of consumption that each can do with. Your Movement tends to increase consumption to the greatest possible degree. You are the new force, a force which will be, before long, perhaps the strongest in the whole world.

The President : On behalf of the Congress, I have to thank our Guests of Honour for having honoured our assembly by their presence, and I beg particularly to thank those who, in kind words, have addressed the Congress. From the addresses we have been listening to we have been able to learn that, in all those quarters

where one is seriously and without prejudice trying to solve economic and social problems, an ever-increasing attention is being paid to Co-operation and its endeavour to secure better economic conditions. In this work we want to collaborate closely and enthusiastically with all those who give credit to Co-operation and who are willing to admit that particularly the present chaotic world situation is badly in need of the joint effort of all good men.

The General Secretary : Before the Congress rises for lunch I should like at this appropriate moment to mention the rather interesting fact that we have with us on the platform four of our British Co-operators still living and active amongst us whose names are inscribed on the delegates' roll for the First Congress of the International Co-operative Alliance in London—Miss Catherine Webb, who is known to most of you by her many works, some of which have been published and some that have the still greater merit of being performed for the benefit of humanity ; Mr. W. H. Brown, still actively engaged in the publications work of the C.W.S. as Editor of the " Producer " ; Mr. L. Jessop, the greatly respected manager of one of the best individual Co-operative Productive Societies of this country, the Ideal Clothiers of Wellingborough ; and, last but not least, Mr. J. J. Dent, who has recently celebrated his Jubilee British Congress, his fiftieth British Congress, and has now retired after having served the Co-operative Movement not only as a militant Co-operator but in the later years of his life in the Ministry of Labour as the first genuine, co-operative representative in the Government service.

This announcement was received by the delegates with enthusiasm and the four veteran representatives were warmly applauded.

CLOSE OF THE FIRST SESSION.

REPORT
of the Central Committee
on the Work of the
International Co-operative Alliance
1930-1933.

INTRODUCTION.

The four years which have elapsed since the last Congress of the International Co-operative Alliance have been full of incident, movement and change. There is little doubt but that they will prove to have marked an important epoch in the progress of our International Co-operative Movement. At Vienna in 1930 we reported a condition of steady progress, increased membership, enlarged activities, and much needed developments in the form of Auxiliary Associations for the promotion of International Banking and Assurance and, more especially, the prospect of International Co-operative Trading which was hailed as an imminent development. For a time that forecast seemed well on the way to being realised. Without doubt our co-operative economic organisation stood up against the blasts of the world economic depression with more success than capitalist forms of economic enterprise. In the case of the Consumers' Organisation that success was due to the inherent virtue of our non-profit-making basis and to its structure of mutuality. Well organised Consumers' Co-operative Societies and National Co-operative Movements are, for these reasons, ever amongst the soundest economic assets that any State or community possesses, and it is indisputable that wherever the co-operative system has retained its liberty of action and freedom of development and control it has continued to increase, in spite of all the vicissitudes of the economic and political crises of the past few years.

It is true that these upheavals have been, and are, unprecedented in the modern world both in their intensity and potential revolutionary character. There is, however, so far as we can see, no reason for thinking any of these changes a serious menace to

SECOND SESSION.

Tuesday Afternoon.

The PRESIDENT : I will call upon the General Secretary to make an announcement.

GREETINGS FROM THE BRITISH TRADES UNION CONGRESS.

The GENERAL SECRETARY : The announcement that I have to make is the receipt of a telegram, which I will read :—

“ The Sixty-sixth British Trades Union Congress representing the organised millions of trade unionists who are united in attachment to the principles of the Co-operative and Socialist Commonwealth send greetings to the International Co-operative Congress whose delegates are working for the attainment of the same ideals in the spirit of the pioneers whose fidelity and courage we have been commemorating this year. Fraternal good wishes for the success of your deliberations.

“ ANDREW CONLEY, President.

“ WALTER CITRINE, General Secretary.”

I am sure to be the interpreter of your wishes in proposing that this telegram should be acknowledged in a fraternal spirit to the Congress which is meeting at Weymouth to-day in celebration of the centenary of the Tolpuddle Martyrs who were sent into deportation on account of their adherence to trade union and democratic principles.

The PRESIDENT : Do you all agree with the proposal made by the General Secretary. (Agreed.)

The following is the text of the telegram subsequently sent to the Trades Union Congress :—

“ The Fourteenth Congress of the International Co-operative Alliance representing the organised Consumers' Movement of the World united to realise co-operative interests of economy organised in interests of whole community heartily reciprocates the fraternal greetings of the sixty-sixth British Trades Union Congress, expresses heartiest wishes for its complete success, and joins in the tribute to the pioneers whose sacrifice is being commemorated at Weymouth.

“ VAINÖ TANNER, President.

“ HENRY J. MAY, Secretary General.”

co-operative progress and still less a permanent hindrance. The doubts that have been expressed in certain quarters as to the efficacy of Co-operation, either for its own immediate purposes or its ultimate goal, are neither broadly nor profoundly based. Incursions have been made into the co-operative fields in quite a number of countries, always inspired by the hatred of those organised forces of private capitalism controlling economic life, which fear the growing menace to what they imagine is their "vested interest" in the exploitation of the people.

On the whole the Co-operative Movements of the world have continued to make progress, though at a slower rate owing to the general pressure of world conditions. There is no evidence, however, that they are likely to suffer a permanent setback from those causes, nor any reason to fundamentally change our springs of action to meet the present adverse currents.

The membership of the International Co-operative Alliance has undergone the usual transformations in respect of admissions, fusions and cessations, and, at the time of writing, there is only one serious change to be noted. That is the loss of the great German Co-operative Movement which for so long has stood strongly in the forward ranks of the Alliance, and taken such an active part. The circumstances of this loss to the I.C.A. are dealt with in a special section of this Report.

The net result of the changes in the membership of the Alliance, excluding Russia, shows an appreciable advance on that recorded in the Report of 1930. The increase in individual members is very remarkable indeed, especially in Great Britain and the U.S.S.R. One British Society alone has recently recorded an increase of 40,000 members as the result of a few weeks' special campaign organised to rebut the violent attacks of private commerce and its press. Many other British Societies also show remarkable increases. From the national standpoint the results are also interesting. In the very great majority of cases share capital and reserves have been increased; in more than 50 per cent. the membership has increased; and it is only in trading results that smaller figures are shown. The reduction in turnover, however, is much more apparent than real. In fact the quantitative relation to the last report is a definite and important increase, the difference in the figures being rather one of values.

We have already remarked that the figures of the U.S.S.R. show very large increases, on which we would remark that without questioning the figures it is still very difficult, if not impossible, to make any fair comparison with those of other States. For it must be remembered that, apart from the differences in the Soviet economic system from those of capitalist countries, the Co-operative Organisations of the U.S.S.R. represent a population equal to one-twelfth of the world, and constitute not a single State but a Union of States.

Co-operative membership and growth, except in those countries where *force majeure* has temporarily robbed the Movement of its freedom, still give ground for satisfaction, and proof of its efficacy as a remedy for economic ills.

Our conclusion is, therefore, that whatever the future may have in store for us the facts of the present internal situation of the Movement, no less than the glimmerings of light on the world horizon, give ground for the hope that 'ere long the wheels of the co-operative chariot will find themselves in a smoother track which will restore its rate of progression.

When we turn to the financial aspect we have need of all our optimism to forecast a happy issue in the near future. It is here that the Alliance has been most hardly hit, and it is in this direction that it is most urgent that the gaze of our constituents should be turned. We have set out in the Report the facts of the situation in some detail, and the concrete proposals of the Central Committee will come before the Congress for adoption. But in the present epoch-making circumstances and the vital problems of life to which the Congress must bend its thoughts and take decisions for the future of International Co-operation, we would urge a serious and broad-view examination of this financial aspect which is, after all, one of the mainsprings of our activities.

It is not too much to say that the resources of the Alliance for its work of world propaganda are pitifully inadequate, and the sum which is contributed by the National Movements, when considered on the one hand in relation to their resources, or as a percentage on their turnover, and, on the other hand, to the results they expect from their International Co-operative Association, is infinitely small. We rise up against the attacks of private trade and large sums are spent by National Movements to combat the menaces of their enemies which offer themselves in varied forms.

Is it not, therefore, essential that some greater contribution should be made towards carrying that combat into the international field? Is it not a false economy to leave without motive power the machine that is designed to carry on the propaganda of our Principles into the wider stage of the battle, where the importance of the issues is none the less because they are waged in a field less frequented by the multitude?

This restriction has been nowhere so severely felt as in the all-important work of Publications and Research. It will be seen from the sections of the Report dealing with these subjects that in several important directions not only the programmes approved by the Congresses in the past have remained undeveloped, but that schemes prepared by the Secretariat and approved by the Executive have been first held up, and then abandoned, for this cause alone.

The Research Work of the Alliance, which was so much desired and which has already proved its value, has been developed since the

Vienna Congress. Previously it had existed only as a sort of special effort to meet an emergency situation. Just as it was being placed upon an organised basis, the financial relapse was manifested and our small research staff had to be reduced by one-half. It is difficult to imagine circumstances that more urgently call for the increase of our research activities than the world conditions of to-day.

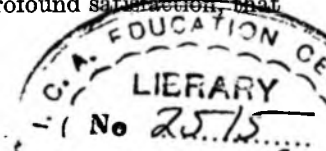
So much for the broader aspect of the growth of the international activities, but, in point of fact, there is an even more acute problem in the actual circumstances of the hour. The essential activities of the Alliance, which have now become the minimum, cannot be maintained with the present restricted resources. During the past year or two the Secretariat has worked under conditions which can only be described as emergency conditions, in order to maintain the credit of the Alliance and to prevent the development of its work, so hardly won, from slipping back into passivity.

With abundant need for advance and boundless fields of action waiting for our onslaught, we have been "cribbed, cabined and confined" in a way which is a serious handicap to the realisation of any of the plans which the Congresses of the past have laid down for achievement by the I.C.A.

The evolution of an Economic Policy for the I.C.A. has proved a very knotty problem. As long ago as the Basle Congress in 1921 an attempt was made to embody in a general Programme of the Alliance the broad economic principles for which the Movement stands and, so long as no serious inroad was made upon the competitive system on the one hand, and Co-operation had failed to make any wide or deep impression upon international industry and commerce, those broad principles of Basle sufficed. At the Stockholm Congress in 1927, however, it was decided that, in view of the modifications in economic life which were taking shape, the Alliance should formulate an Economic Programme, and the Special Committee whose "interim report" is now presented was set up to prepare a plan. Those who have followed the published reports of the proceedings of the Special Committee and at the same time have kept in touch with the economic life of the world—no easy thing in the presence of the rapidity and the kaleidoscopic character of the changes—realise the sort of difficulties which it has encountered.

Perhaps, however, the greatest hindrance to an agreement upon a detailed Programme is the widely varying views of National Movements on the all-important question of International Exchange and all its related problems. It would be invidious to attempt to analyse those differences here, but it will be sufficient to say that they oscillate between universal free trade and the closest system of protection now in practice, and, most important of all, in certain cases deny the distinctive economic basis of Co-operation. It was, therefore, with a sense of relief, if not of profound satisfaction, that

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the Central Committee fell into complete agreement on the main points of an Economic Policy, and the outlines of their application which are set out in the appropriate section of this Report.

The present application of the Rochdale Principles of Co-operation has proved a much easier subject of investigation, though not without its difficulties and pitfalls. In this instance, however, the differences revealed in the practice of the various countries were rather of method and habit than of any fundamental objection to, or deviation from, the Principles laid down by the Pioneers. Indeed, there is shown to be a very remarkable agreement about the basis of our Movement and its identity with the rules and practice of the Rochdale Weavers' Society. It will be remarked that after a fairly exhaustive examination of the available sources of information, the Committee are agreed that Seven Principles constitute the Rochdale System of Co-operation, which are :—

1. Open Membership.
2. Democratic Control.
3. Dividend on Purchase.
4. Strictly limited Interest on Capital.
5. Political and Religious Neutrality.
6. Cash Trading.
7. Promotion of Education.

They further suggest that only the first four of these Principles should be a test of the co-operative character of the undertaking, and that the last three should be regarded as essential methods of action and organisation rather than standards, the non-observance of which would destroy the co-operative character of the enterprise. It will be observed that the four essential Principles constitute the economic basis of the Movement and, in fact, do postulate a new economic régime capable of supplanting the bad old system of capitalist competition. As such it must be clearly regarded as complementary of, and even preliminary to, the outline of Economic Policy which we have previously noticed.

Missionary Propaganda as an item in the activities of the Central Committee since the Vienna Congress occupies a short section in this Report, which is altogether out of proportion to the importance of the subject. Viewed from any standpoint the field of missionary enterprise still open to the Co-operative Movement is enormous. So far from resting upon our past achievements, we have need to take account of the vast areas on several continents that still remain in want of co-operative activities, or, possessing the elements of national co-operative organisation, remain undeveloped and unrecruited to the ranks of the I.C.A.

Amongst the States of Spanish America are to be found excellent examples of co-operative enterprise.

South Africa and the Australian Commonwealth have little to boast of in the way of Consumers' Co-operation.

In the British Dominions overseas it is the productive form of Co-operation which is more often to be found.

In Asia there are few members of the I.C.A., while numerically the co-operative membership is strong.

The outstanding facts which led the Executive to seriously examine the problem of missionary propaganda to these vast areas were the need of the Alliance to push its activities unto the ends of the earth and to add the co-operators of every State to its membership, and the abundant evidence there was of the existence of a keen desire for light and leadings from the more advanced European Organisations.

It seemed clear that on the grounds of expediency and co-operative progress the Alliance should do its utmost to carry the flag of Co-operation into those co-operative deserts with the certain knowledge that our ministrations would be eagerly welcomed, that the seed would fall into fertile soil, and that the prospect of an abundant harvest would be sure.

The Central Committee, therefore, approved in principle a plan of action for which they contemplated the necessary financial support, but even at the moment of its adoption the scheme was deprived of its motive power in the loss of finances which has resulted from world economic circumstances.

If we revive the subject to-day it is not to blazon our failure, but rather to point out the new aspect which recent happenings have given to the problem. All the reasons above stated in favour of this development of our work still exist and become intensified as the economic conditions in the countries concerned press more heavily upon the populace, ready and desirous of relieving their burdens by the means recommended to them by our example and precept.

* * * *

In the sections that follow a more detailed account is given of the principal activities of the Alliance during the period under review.

MEMBERSHIP.

The membership of the International Co-operative Alliance now comprises the Consumers' Co-operative Movements of 39 countries. It also includes a considerable number of other forms of Co-operative Organisation—Productive, Credit, Agricultural, Banking, Assurance Societies, etc.

We regret to record the loss, for the time being, of the powerful and flourishing German Consumers' Movement, the reasons for which are dealt with elsewhere in the Report.

The number of direct subscribing members is 71, comprising 60 National Unions or Federations, 2 Regional Unions, and 506 Retail Societies.

These figures can only be correctly estimated by an examination of the constitution of the Movement in each country, and of the manner in which the different sections and types are grouped for the purposes of affiliation with the I.C.A. In quite a number of instances two or more National Organisations are included in one national collective membership. Great Britain unites in the membership of the Alliance, through its own Union, no less than four National Economic Organisations and nearly 500 local Societies, all affiliated on the basis of individual society membership. The U.S.S.R. is an unique example, comprising six Republics and a still greater number of national groups all comprised in a single membership.

The following table will indicate more fully the character of the membership and its distribution amongst the various forms of Co-operative Organisation :—

National Unions or Federations—	
Consumers'— <i>a.</i> Retail	40
<i>b.</i> Wholesale	38
Productive	5
Credit	2
Auditing	1
Agricultural	8
Banks	24
Assurance	20
Publishing	1
Propaganda	1
Women's Guild	1
Regional Unions	2
Local Consumers' Societies	506

The growth of the Alliance may be seen from the following comparative statement which, though necessarily approximate, has been prepared with care from the returns received from the National Organisations :—

	1913.	1920.	1924.	1927.	1930.	1933.
Countries	23 ...	24 ...	30 ...	35 ...	40 ...	39
Unions or Federations—						
National	55 ...	44 ...	74 ...	103 ...	117 ...	141
Regional	— ...	— ...	— ...	6 ...	5 ...	2
Societies constituting the Unions or Federations	3,871 ...	60,000 ...	75,000 ...	169,000 ...	193,000 ...	91,000*
	Millions	Millions	Millions	Millions	Millions	Millions
Individual Members....	20 ...	31 ...	40 ...	51 ...	56 ...	100†

* Excluding U.S.S.R.

† Including U.S.S.R. 73 Millions.

✓ The following statement shows the additions, changes and cessations in the membership of the I.C.A. which have taken place since the Vienna Congress in 1930 :—

Organisations Admitted to Membership.

National Organisations (Under Article 8a).

- Banca Centrala Cooperativa, Bucharest, Roumania.
- Corvinia Allgemeine Versicherungs-A.G., Budapest, Hungary.
- ✓ All-India Co-operative Institutes' Association, Bombay, India.
- Verband ostschweiz. landwirtschaftl. Genossenschaften, Winterthur, Switzerland.
- Banque Centrale Coopérative de Bulgarie, Sofia, Bulgaria.
- Chosen Kinyukumiai Rengokai, Keijo, Korea.

Individual Societies (Under Article 8d).

- Central Mongolian People's Co-operative Society " Moncenkop," Ulan-Bator-Hoto, Mongolia.
- Pietermaritzburg Co-operative Society, Ltd., Pietermaritzburg, South Africa.
- Confédération de la Mutualité et de la Coopération Agricoles, Guadeloupe, French West Indies.

Changes.

- Magyarországi Szövetkezetek Szövetsége, Budapest, has replaced the " Hangya," Budapest.
- Union des Coopératives Agricoles de Vente d'Aydin, Izmir, has replaced the Co-operative Society of Aidin Fig Producers, Izmir.

Cessations.

- Zentralverband deutscher Konsumvereine, Hamburg, including Grosseinkaufsgesellschaft deutscher Konsumvereine and Verlagsgesellschaft deutscher Konsumvereine.
- ✓*The Madras Provincial Co-operative Union, Royapettah, India.
- Coopératif " Egtessad," Tehéran, Persia.
- Sociedad Cooperativa de Obreros y Empleados, Mexico.
- Société coopérative " Le Syndicaliste," Dudelange, Luxembourg.
- Canadian Co-operative Wheat Producers, Ltd., Winnipeg.
- ✓†Provincial Co-operative Institute, Bombay, India.
- †Zveza Gospodarskih Zadrug Za Slovenijo, Ljubljani, Yugoslavia.
- Federação Nacional das Cooperativas, Lisbon, Portugal.
- Casa do Povo Portuense, Oporto, Portugal.
- Central Tuva Co-operative Society, Tannu-Tuva Republic U.S.S.R.

* Affiliated to the All-India Co-operative Institutes Association, Bombay.

† Affiliated to Fédération Générale des Unions Coopératives, Belgrade.

THE COMMITTEES OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE.

The number of members of the Central Committee of the I.C.A., calculated on the basis of the maximum representation provided in the Rules, is now 71. At the election at Vienna Congress in 1930 the number returned was 66. That number has been depleted by the loss of the German representatives (5), and augmented by two representatives of Hungary, which leaves the present total at 63.

Various changes in the members of national delegations have been made since the election of the Committee at Vienna with the approval of the Central Committee.

Since the last Congress four ordinary meetings of the Central Committee have been held as follows : At Vienna in August, 1930, following the Congress ; Paris, October, 1931 ; Geneva, October, 1932 ; and Rotterdam, March, 1934. No meeting of the Central Committee was held in 1933 owing to the exceptional circumstances which prevailed, which necessitated frequent meetings of the Executive to whom the Central Committee gave plenary powers to enable them to deal promptly with the rapidly changing situation. At the beginning of the year, however, the Central Committee decided by referendum the postponement of the Congress for a year. The meeting of the Central Committee which had been fixed to be held at Cologne in April to deal with the Congress Agenda was, therefore, cancelled. Later it was decided to convene the Central Committee for a Special Conference in June, to which additional representatives should be invited, for the purpose of considering an Agenda limited to the World Crisis as it affects the Co-operative Movement.

The Executive Committee of the Alliance has held fourteen meetings since its election at Vienna in 1930, at the following dates and places : Vienna, August 1930 ; Hamburg, December 1930 ; Brussels, April 1931 ; Paris, September 1931 ; Strasbourg, February 1932 ; Prague, June 1932 ; Geneva, October 1932 ; Barcelona, February 1933 ; Brussels, April 1933 ; Paris, May 1933 ; Basle, June 1933 ; Vienna, October 1933 ; Miramar d'Estérel, January 1934 ; and Rotterdam, March 1934. This is an exceptional number of meetings of the Executive due to the special circumstances already mentioned.

SPECIAL COMMITTEES.

The Special Committee appointed by the Central Committee, in accordance with the decision of the Stockholm Congress in 1927, to prepare a Programme of the Economic Policy of the I.C.A., has met four times since the Vienna Congress in conjunction with meetings of the Executive. Its conclusions will be found in a later section of this report.

The Special Committee appointed by the Central Committee, in accordance with the decision of the Vienna Congress in 1930, to enquire into the Present Application of the Rochdale Principles, has met seven times, also in connection with the meetings of the Executive, and its work is the subject of a separate report.

The Joint Committee of the Executives of the International Co-operative Alliance and the International C.W.S. has met three times and a summary of its proceedings is included in this report.

The Joint Committee of Consumers' and Agricultural Co-operative Representatives, constituted under the auspices of the late Albert Thomas, representing the I.C.A. and the International Commission of Agriculture, was duly constituted as a result of the preliminary discussions reported to the Vienna Congress. It has met six times at Geneva. An account of its work is included in this report.

AUXILIARY COMMITTEES.

The International Co-operative Trading Committee (International Co-operative Wholesale Society), of which Mr. R. F. Lancaster, Secretary of the English C.W.S., is Secretary, has continued its work in close association with the I.C.A., and its meetings and conferences are held at the same time and place as those of the Executive and Central Committee of the I.C.A. The collaboration between the I.C.A. and I.C.W.S. for the purpose of economic research continued for a period but, as is shown in the appropriate section of this report, has not been maintained.

The International Co-operative Banking Committee has continued its work with undiminished industry in the study of current financial problems and the best means of promoting international banking relations. Its Secretariat has amassed an important and interesting documentation which, as it is prepared and approved, is circulated to the affiliated Organisations.

While the eventual purpose of the establishment of an International Co-operative Bank is delayed by the persistence of the economic crisis and the general disruption of economic life throughout the world, there can be no doubt of the interest and value of the activities of this Committee, or of the usefulness of the preparatory work which it has accomplished.

The International Committee on Assurance, of which Mr. Joseph Lemaire, Director of Prévoyance Sociale, Brussels, is the Secretary, has also to its credit a considerable study of insurance problems in all the fields which interest the affiliated National Movements of the I.C.A. It has established contacts for re-insurance purposes and generally has kept in touch with each other the Insurance Departments and Societies of Co-operators in the different countries.

Special Reports on the work of all these Committees are annexed to this report.

International Committee on Workers' Productive Societies.—

The proposal to constitute, within the framework of the Alliance, an Auxiliary Committee of the Independent Workers' Productive Organisations, of which there are 13 affiliated, was submitted by the *Chambre Consultative des Associations Ouvrières de Production*, France. The objects proposed to be attained by such a Committee were: (1) The study of the development of these Organisations, with a view to the unification of their constitution and methods; (2) The legislation applicable to them in the various countries; and (3) The establishment of contacts and the exchange of information between them.

The proposal was discussed at several meetings of the Executive, with the result that the General Secretary was requested to prepare a Draft Constitution and Programme of Work for further consideration. The draft approved by the Executive was submitted to the Central Committee at Geneva in 1932, and, with a few minor amendments, adopted.

The scheme was then formally notified to all the Organisations concerned, but, up to the present, the requisite minimum of five Organisations to establish the Committee and put into operation the approved programme, has not been forthcoming.

The **International Co-operative Women's Guild**, of which Miss A. H. Enfield is the Secretary, is an independent autonomous Organisation of Women Co-operators pursuing its special propaganda and aims by its own means, but in friendly collaboration with the I.C.A. on those matters which are common to the two Organisations. Its activities, especially in those spheres which are of special interest to women, whether as housekeepers, mothers, or citizens, make an increasing appeal to Co-operative Women in all countries.

The Guild, as an institution of co-operative education and inspiration, has a vast field for its endeavours and there is little doubt that the overdue return of stability and equilibrium in economic life will provide the opportunity for its greater development.

Annual reports of the work of the Guild are regularly received by the Central Committee, and a general report covering the work of the past four years is annexed to this report.

THE RULES OF THE I.C.A.

The first amendment to the Rules to be proposed by the Central Committee to the Congress arises from the Report of the Special Committee on the Rochdale Principles and consists in adding a statement of those Principles in continuation of the second paragraph of the existing Article 1, the whole to be re-numbered Article 2.

On the same recommendation, it is proposed to interpret the neutrality of the Alliance (Article 7, Neutrality) more explicitly as being "without respect to nationality or race."

Article 8 is to be amended at four points—first, by adding to Clause I. a new sub-section (a) Open Membership; second, by a new sub-section (d) The strict limitation of interest on capital; third, by a new Clause III. generalising the principle of Dividend on Purchase; and four, by a new Clause IV. declaring the moral obligation of the members of the Alliance to observe the whole of the Principles set out in Clause I.

A further important amendment is the proposal to increase the scales of subscriptions to the I.C.A.—Article 16, II. and III.—as set out on pages 179-181 of this report. The reasons for this amendment are given in the section of this report on "The Finances of the I.C.A." Its effects briefly would be:—

(a) In basing the standard of payment on Gold, to restore the basis to the level of payment which had always existed previous to September, 1931, when Great Britain abandoned the Gold Standard, and automatically decreased the financial obligation to the Alliance of those countries which maintained the Gold Standard by an increasing percentage which is now over 35 per cent.

(b) To increase the liability of "Collective Membership" by approximately 25 per cent. In the case of Great Britain the percentage increase would be greater because the British Movement adopts the scale of "Individual Membership."

(c) In the case of National Organisations and National Auxiliary Organisations which, under Article 16, II., are admitted for a minimum subscription of £10, to raise the subscription to £20.

THE FINANCES OF THE I.C.A.

It is, perhaps, a noteworthy fact that in the report of the Central Committee to the Congress at Vienna in 1930 no special section was devoted to the financial position of the Alliance which, nevertheless, had given so much cause for anxiety in the previous ten years. The absence of special proposals to the Vienna Congress was not due to the realisation of a sufficient income for the normal services and functioning of the I.C.A., which had then barely reached 50 per cent. of the minimum approved by the Basle Congress in 1921 as necessary to its normal working. It was due to the fact that so far as the subscriptions to the Alliance were concerned a certain amount of "recovery" had already manifested itself resulting from the general stabilisation of the exchanges in Europe, and the further desire upon the part of the National Organisations to make up some of the arrears which had accumulated in the

preceding period when the exchanges were tumbling helplessly towards insolvency.

The report to Vienna noted the improved conditions and called a truce to the campaign for increased finance in order to give the improved situation an opportunity to better itself. Unfortunately, the calm proved to be of short duration, and in the autumn of 1931 the Executive were again compelled to take the financial situation into serious consideration and to adopt exceptional measures. The immediate causes were the abandonment of the Gold Standard by Great Britain, the rapid development of economic nationalism, and the consequent restrictions upon the export of currency by a number of countries.

The feature of the internal situation in September, 1931, was the large amount of arrears of subscriptions then outstanding which, however, we may add at once were eventually paid in nearly every case. The whole position was considered by the Central Committee at Paris, who decided to confer upon the Executive full powers to balance the Budget and to take all necessary steps to maintain the financial stability of the I.C.A.

At the beginning of 1932 the Alliance had to face, in the Balance Sheet, an excess of expenditure over income amounting to £2,793. The Executive, exercising the powers conferred upon them by the Central Committee, decided that all subscriptions should be paid on the Gold Standard. A policy of strict economy in the maintenance of the services of the Alliance was agreed upon and, as a contribution to that purpose, it was agreed that only two meetings of the Executive per year should be held unless special circumstances called for more.

Subsequent events have proved, as might have been anticipated, that the period of crisis and difficulty is not the time for economising the activities of the Alliance, and least of all its resources. Exactly the contrary is the case. The Executive instead of meeting less often has found it necessary to meet more frequently than ever before in order to keep pace with the rapidly changing conditions and situations of difficulty.

The financial situation was met by withdrawing from the small reserve fund which had been constituted from the unexpected payments of arrears accumulated during the period of general depreciation and financial difficulty. The Executive had wisely set aside these exceptional payments and adopted the policy of meeting current expenses from current income. This was all the more necessary because the hand to mouth existence which the Alliance had been obliged to practice for so long had hampered its proper development of recruiting in other lands and continents, and prevented any provision being made for contingencies, amongst which was included the future provision for the members of the staff who become incapacitated in its service.

When the Balance Sheet for 1932 and the Budget for 1933 were under consideration the necessity of special measures for obtaining the required income was still urgent, and all the more so because the Congress, designed for 1933, had been postponed so that there was no possibility of a new scale of subscriptions being adopted before 1934, which could only become operative in 1935.

The Executive, therefore, decided to maintain their decisions of the previous year that the subscriptions from all countries should be paid on the Gold Standard ; that a general appeal should be made to the members to increase their subscriptions voluntarily, above the minimum required by the Rules calculated on Gold, and that a supplement of 25 per cent. should be suggested as a suitable addition.

It was further agreed that, apart from the special world economic conditions, the normal growth of the Co-operative Movement called for an immediate revision of the scales of subscription with a view to producing an increased revenue. The General Secretary was, therefore, requested to prepare calculations of estimated income on several different bases for the consideration of the Executive. Owing to the widely varying circumstances of the different National Movements in point of numbers, extension and resources, to say nothing of the varying exchange values, it is an extremely difficult problem to lay down any basis which will impose an equal burden upon all the members. Calculations were prepared on several bases, all of which received careful consideration. Eventually, however, it was decided to proceed on the lines of augmenting the existing scales which, in practice, have been found to offer reasonable elasticity to meet the varying needs and, on the whole, to provide equality of treatment.

An amendment to the Rules to give effect to that decision is, therefore, submitted for the approval of the Congress. It should, however, be pointed out that this amendment is only regarded as a temporary method of dealing with a transitory situation which, it is hoped, may give place to better conditions within a reasonable period, which in turn will afford the opportunity of placing the finances of the I.C.A. upon a more stable and lucrative basis.

PUBLICATIONS.

The principal publications of the I.C.A. since the last Congress include : "**International Co-operation, 1927-1929**," Vol. II., being the reports of 55 National Co-operative Organisations in 34 countries; **The Report of the Proceedings of the Thirteenth Congress of the I.C.A.**, ; and **Statistics of the Affiliated National Organisations for 1928-1929**.

Last year a new venture was undertaken by the publication of a brochure on "**Results of State Trading**," based on material

collected by the economic research workers of the I.C.A. The study has received very favourable notice from the Press, having been reviewed in a number of economic journals. The sales have been satisfactory for a first publication of this sort—the first edition being nearly exhausted. Other studies are in preparation which are, of course, primarily designed for the use of members of the Alliance. With a little more freedom to extend both the staff and the researches, it will be possible to continue publication of the results.

The monthly "Review of International Co-operation" is continued on the improved lines which were noted in the previous report. Its circulation, however, does not increase satisfactorily, and there seems to be a definite need of propaganda for this purpose by the National Organisations.

Plans were prepared and approved by the Executive in 1932 for the further improvement in form, printing, etc., of the "Review," but they were later abandoned, or indefinitely postponed, owing to the financial position which had meanwhile developed. On similar grounds the scheme for a scientific Quarterly Review, dealing with international economic and social questions, was also postponed.

The German edition of the "Review" has encountered special difficulties, primarily brought about by the Nazification of the German Co-operative Movement last year. The relevant details of the German situation are dealt with elsewhere in this report. It will be sufficient here to note that the leaders of the German Central Union at Hamburg found themselves unable to continue the translation, printing and despatch of the "Review" at the beginning of May, 1933. By the very prompt and effective aid of Dr. B. Jaeggi and the Printing Works of the Swiss Union, the May issue was published only a few days later than it would ordinarily appear. The arrangement with the Swiss Union continued until the end of the year when, for reasons of economy, the printing was transferred to the Printing Works of the English C.W.S. at Manchester. In the present circumstances of the difference in the value of the respective exchanges, this change effects a saving of about 35 per cent. to the Alliance.

The German edition has, therefore, suffered a considerable loss upon its operation for 1933 of a twofold character. First, the fact that the printing costs, when measured in Sterling, were so high as to produce a considerable adverse balance. Second, the September issue was confiscated by the Nazi authorities and the German Societies were ordered to cancel their subscriptions under threat of bearing the consequences of disobedience to the order. The reason for this action was the publication of an article in the September issue on the German co-operative situation, which gave offence to the Nazi authorities and was described by them, in the circular to the Societies announcing its confiscation and the prohibition of

further issues, as containing "in open and veiled forms unheard-of attacks and calumnies against the new Germany and the National Socialist Movement."

The French edition of the "Review" has for many years past been printed at Brussels under the efficient supervision of our colleague, Victor Serwy. At his request, however, owing to certain technical difficulties which had arisen, he was relieved of this responsibility at the end of 1932. The work was then taken over by the F.N.C.C. at Paris.

We record here, with sincere appreciation, hearty thanks to all those who have, during the period under review and earlier, contributed to the success of our journal by enthusiastic and voluntary service.

The News Services of the Alliance—Co-operative and Economic—continue to be appreciated widely as is evidenced by the applications for gratis copies, and the reproduction of the contents in national journals. A new section has been added since our last report as a "Digest of the Co-operative Press," which has proved its utility in its acceptability to co-operative journals. Improvements have been made since its inception which have received approval of editors. Its purpose and plan is to present in each issue a symposium of views on one or more subjects which are topical or of special interest to the Movement generally. It is obvious that the first essential, therefore, to the production of a satisfactory "Digest" is a consensus amongst editors concerning the interest of a particular subject, otherwise the material for a "Digest" would be lacking. Hence, perhaps, the readiness with which this particular Press Service has been received.

To the Economic News Service has been added a monthly **Banking and Financial Supplement**, the material for which is culled from the Monthly Reports of the great banking institutions in London, and some of the principal continental banking houses. This feature of our News Service does not yet seem to have attracted the attention it deserves. To the responsible administrators of Co-operative Organisations it presents a treatment of vital financial problems in the form of a concise epitome of vital problems of finance.

The **Film Catalogue** of the I.C.A., which was first issued in 1930 and presents a remarkable array of co-operative films, has been revised and was re-issued to Societies in 1933. The second edition includes 193 films in 21 countries.

The **International Directory of the Co-operative Press**, Third Edition, and containing particulars of 1,009 journals in 33 countries, representing a total circulation of 8½ millions, has been duly completed and published.

STATISTICS.

Previous to the Vienna Congress the Statistics of the Affiliated Organisations for 1927, and 1928-1929 were published in two volumes, which gave at a glance the figures of nearly every National Consumers' Movement and also of the autonomous Organisations of Production, Credit, Agriculture, Banking, Assurance, etc. Since then, as a measure of economy, no separate publication has been made, but summaries of the Tables have been published in the "Review" so that the collected data have been regularly presented to those interested. A volume containing the figures for 1930, 1931 and 1932 will shortly be published.

The Statistics, as now presented, are the results of a Questionnaire established in collaboration with the Co-operative Section of the I.L.O., and provide fairly exhaustive summaries of the main aspects of the enterprises with which they deal.

JOINT ACTION OF THE I.C.A. AND I.C.W.S.

The Joint Meetings of the Executives of the I.C.A. and I.C.W.S., which were instituted during the triennial period previous to the last Congress, have not been maintained, though not formally abandoned. A Joint Sub-Committee was set up at The Hague in July, 1929, and met afterwards at London in October, 1929, and Leipzig in March, 1930. Three meetings have been held since the Vienna Congress, the first in Hamburg in December, 1930, the second in Brussels in April, 1931, and the third in Paris in September of the same year. These meetings provided useful opportunity for the exchange of views on a number of subjects vital to co-operative progress, especially from the trading and production points of view.

Studies on such questions as the Sources and Supply of the Raw Materials of Margarine; The Ramifications of the Margarine Trust; State Trading—Trusts and Cartels (referred from the last Congress), were decided upon by the Sub-Committee, and were all undertaken by the Secretariat of the I.C.A. Much valuable information was collected on each subject, and detailed reports were prepared, all of which were referred to the I.C.W.S. for use in its development of international co-operative commercial activities.

ECONOMIC RESEARCH.

This aspect of the activities of the Alliance formerly received attention in connection with problems of special interest which arose from time to time. It only took the definite shape of an organised section as an outcome of the discussions of the Joint Committee of the I.C.A. and I.C.W.S., and the initial researches which were undertaken by the Secretariat of the I.C.A. for the Joint Committee.

The need of regular scientific study of the many economic problems, for which it is the aim of co-operative enterprise to find a solution, was given effect to by the appointment of experienced economic research workers in the early part of 1931. Their labours

have produced a number of useful reports and a mass of information of value to the Movement in every country, the variety of which may be seen in the following list of studies.

Completed Studies have been made on (1) Production and Marketing of Wheat; (2) State Trading in Cereals and other Agricultural Commodities and their Influence on the Development of Prices (three reports); (3) Collective Marketing of Agricultural Commodities and Raw Materials (two reports); (4) State Revenue Monopolies; (5) Municipal Trading in Commodities; (6) State and Municipal Assurance (three reports); (7) Organisation and Costs of Distribution in Private Grocery Shops; (8) Costs of Distribution in Co-operative Grocery Shops (two reports). Several of the reports on these studies were included in the brochure "Results of State Trading," successfully published last year.

Studies are in progress on (1) Comparison of Costs in Private and Co-operative Grocery Shops; (2) The Cost to the Consumer of State Import Schemes (Quotas, Regulation of Imports and Tariffs); (3) The Effects of the State Regulation of Imports, upon the Development of Prices.

Studies are to be undertaken on (1) The Economic and Social Effects of the Roosevelt Experiments; (2) Comparison of Co-operative Insurance with State and Municipal Insurance; (3) Private Distributive Monopolies (Margarine, Meat, Milk, Electric Lamps, etc.).

PEACE AND DISARMAMENT.

The question of giving organised support to the work of the Disarmament Conference of the League of Nations was first taken up at the meeting of the Central Committee at Paris in October, 1931, four months before the Conference opened, when it was strongly urged that the Alliance, alike in accord with its own great tradition and the vital interest of the progress of International Co-operation, should address a clear declaration to the Conference in favour of general disarmament. A variety of views were expressed, none of which, however, aimed at modifying the essential attitude of the Alliance in favour of Universal Peace.

The following declaration in favour of Peace was the outcome of the discussion :—

"Concerning the International Disarmament Conference of 1932—The Central Committee of the I.C.A., in accordance with the resolutions adopted at its Congresses held at Glasgow (1913), Basle (1921), Ghent (1924), Stockholm (1927), and Vienna (1930)—on the subject of Peace;

recognising the great importance to the development of the Co-operative Movement that Peace, based on the solidarity of the peoples, should be established between all nations;

requests all the National Organisations to use every means at their disposal to encourage the work of Peace which would be stimulated by this Conference."

Considerable dissatisfaction was subsequently manifested amongst members of the I.C.A. that no clear pronouncement on the all-important question of Disarmament had been made by the Alliance.

At the request of the British Union the question was again brought up for consideration at Strasbourg on the eve of the opening of the Conference at Geneva. The General Secretary submitted the draft of a Memorandum stating the views and policy of the I.C.A., which was calculated to avoid offence towards those nationalities which had reservations concerning the time and methods of implementing general disarmament. It was decided to send this declaration to the Right Hon. Arthur Henderson, President of the Conference, and also to the affiliated National Organisations with the request that the latter should support it by representations to the Geneva Conference direct or through their respective National Governments.

Declaration to the Disarmament Conference.

“ The International Co-operative Alliance—which groups the Consumers’ Co-operative Organisations of more than 40 States, and includes many Organisations representing other forms of co-operative economic enterprise ; comprising in the aggregate over 60,000,000 shareholding members and, therefore, about 250,000,000 people—earnestly desires to be associated with the other world Organisations in demanding from the Disarmament Conference the fullest measure of relief from the colossal burden of war preparations, and the greatest guarantee of the future peace of the world which it is possible to attain.

From its inception half a century ago the International Co-operative Alliance, in common with the various National Organisations which constitute its membership, has devoted itself to the promotion of Universal Peace as a specific object of its activities, apart from the fact that the whole system which it represents is calculated to produce peace as a normal result of its development.

At each of its Congresses it has emphasized the need for World Peace and outlined the means by which that happy consummation could be promoted by a voluntary Organisation basing itself upon social ideals, and working out a new and equitable plan of economic relations, national and international. At the Congress of Glasgow in 1913, unhappily destined to be the last before the great failure of civilisation to maintain peace, the representatives of 25 nations were enthusiastically unanimous in favour of the following declaration :—

‘ That this Congress fully endorses the action recently taken by the Executive and Central Committee of the International Co-operative Alliance in order to manifest that it is in the interests of the co-operators of all countries to do their best to uphold peace. The Congress emphasizes

once more that the maintenance of peace and goodwill among all nations constitutes an essential condition for the development of Co-operation and the realisation of those ends which are aimed at by this Movement. The Congress further desires to impress upon the public opinion of all nations the fact that the reasons for the continuance of armaments and the possibility of international conflicts will disappear as the social and economic life of every nation becomes organised according to co-operative principles, and that, therefore, the progress of Co-operation forms one of the most valuable guarantees for the preservation of the world's peace. The Congress, therefore, exhorts the people of every country to join our Movement and strengthen their power. The International Congress of the Alliance declares itself in amity with all the co-operators of the world, and welcomes any action they may take in this direction or in which they may participate. Congress also welcomes all demonstrations made or to be made by other Organisations with the same aim.'

Although neither the great aspirations of the Congress, nor any other human power sufficed to resist the holocaust of war, yet the Co-operative Organisations of the world have this to their credit that alone amongst international institutions they maintained their lines of communication and their association intact throughout that catastrophic period. When the war clouds had dispersed and they were able to renew their Congresses at Basle in 1921, they adopted the following renewed expression of their faith and passion for Universal Peace :—

'That this International Co-operative Congress assembled at Basle, in resuming the work of the International Co-operative Alliance, after the most terrible of wars, reiterates the declaration of the Glasgow Congress that "Peace and goodwill among all nations constitutes an essential condition for the realisation of the co-operative ideal."

The Congress expresses the conviction that, notwithstanding the cruel deception experienced, the progressive general adoption of the co-operative programme in the economic order will generally eliminate the essential causes of war.

In order to attain this aim, the co-operators of all countries have the duty not only to work continuously for the economic development of their Societies, but also to put into action, at every favourable opportunity, the moral factors of Co-operation against any conflict between peoples and against the political or economic oppression of any people.

The Congress requests the National Co-operative Unions and all Co-operative Societies, each in its sphere of activity and with its own means, to exercise vigilant action in order to prevent any political and economic conflict between peoples, and specially to endeavour to propagate the idea of diminishing everywhere the military expenses to the strictly necessary, in order to lead the way to a general, complete, and simultaneous disarmament on land, on sea, and in the air.

It further recommends that a larger place be given in the schools to co-operative instruction and to propaganda of all the facts exposing the disasters of war and the blessing of peace.

And in case the folly of man should provoke another war, the I.C.A., without contesting the right of every country to defend its independence, but considering that any war, even a defensive one, should not be allowed to settle differences between nations, is confident that the co-operators of all countries, even those who believe themselves to be the victims of aggression, without fear of patriotic prejudice and official censure, will unite to impose on the belligerents the cessation of the conflict and the adoption of the method of peaceful arbitration.'

Without exception, the Congresses of the Alliance have unanimously re-affirmed their condemnation of war and voiced their determination to promote peace by all the means in their power. We may cite one other typical declaration :—

'The Twelfth Congress of the International Co-operative Alliance (Stockholm, 1927) recognising that the fundamental purpose of co-operation is the establishment of a Co-operative Commonwealth, without distinction of colour, race, or creed, in which industry and commerce shall be established upon a non-profit-making basis and the social life of the peoples upon fraternity and mutual aid, urges upon the Movements of all countries the necessity of promoting by all means in their power free intercourse between the peoples of every land and the establishment of the closest economic relations upon the lines of mutuality adopted by the Rochdale Pioneers.

Realising the destructive effect of war upon all such relations and the supreme necessity for co-operators that wars should cease, and that the whole influence of the peoples should be exerted for peace, the Congress, in accordance with the traditional world peace policy of the International Co-operative Alliance, urges every Co-operative Organisation to declare itself definitely against war; to make known to the world, and particularly to

its National Government, its unflinching hostility to all policies, economic or militarist, which may provoke war or raise barriers to the realisation of the co-operative programme.'

The International Co-operative Alliance is the unique representative of the organised consumers of the world. It is, therefore, obvious that both in its scope and constitution it is essentially a peace promoting institution, whose free development depends upon international amity and the fraternity of the human race. It is equally evident that it represents in its vast membership a very large proportion of those who must pay most dearly and suffer most acutely from the present burden of armaments, and the wars which those preparations inevitably produce.

Peace is, therefore, from every point of view of paramount importance to the World Co-operative Movement. The organs of the Alliance at their recent assemblies have re-affirmed their faith and conviction in its vital necessity, and I have now the pleasure to express on behalf of the whole Movement, distributed as it is throughout the world, their ardent wish that the labours of the Disarmament Conference may result in bringing about the realisation of their ideal—the establishment of Peace and Goodwill amongst the whole human race."

On behalf of the
International Co-operative Alliance,
HENRY J. MAY,
General Secretary.

The President of the Disarmament Conference gave prominence to the Memorandum of the I.C.A. at the opening of the proceedings at Geneva, and the National Co-operative Organisations generally responded to the request that they would support it direct or through their National Governments.

The League of Nations Council accorded to the I.C.A. the opportunity of sending a representative to the sittings of the Conference in the quality of observer, and to receive copies of all the official documents and publications of the Conference. The General Secretary was appointed to that function and attended some of the earlier sittings.

THE WORLD ECONOMIC CRISIS.

The economic crisis which has developed so acutely and with such disastrous results, direct and indirect, since 1929 has been the subject of frequent and profound discussion by the organs of the I.C.A. throughout the intervening period. Co-operators, however, have had the satisfaction of recording advances in

membership and influence in many lands in spite of adverse conditions. Nevertheless, the Central Committee has thought it desirable, on more than one occasion, to issue an appeal to the Co-operators of the world for solidarity and sustained effort towards overcoming the economic confusion and distress—a task which the co-operative system is specially designed to fulfil.

In 1931 the following brief memorandum was issued :—

“The Central Committee of the I.C.A., assembled at Paris in the presence of the unparalleled economic crisis which the failure of the competitive capitalist system has produced, declares : that the solution of the present world difficulties lies in the application and generalisation of the principles on which the co-operative organisation of commerce and industry, as represented in the organisations of the 60 million co-operators which constitute the membership of the I.C.A., is based.

Our co-operative system offers the only effective alternative to the anarchy of competition and private profit because it is based upon service to the community and the elimination of private gain and puts an end to the inequalities between the resources of the consumer and producer.

The Central Committee, therefore, calls upon all its affiliated organisations to demonstrate the superiority of their economic system and its power to secure the highest interests of the community by all the means in their power, amongst others—

(a) By the exercise of the utmost vigilance and economy in their purchases and the accumulation of stocks.

(b) By distributing all commodities to their members at the most equitable price, since the whole of the benefits of Co-operation go to the consumers.

(c) By resisting all attempts of capitalist enterprise to use the present situation for private profit.

(d) By using all the means in their power to mitigate the evils and distress attendant upon the dreadful and increasing unemployment of the world's workers, particularly by the establishment of the co-operative régime.”

In the early part of 1933 the massed attacks of organised private enterprise against the Co-operative Movement in many lands became so intense and bitter that it was deemed desirable that a Manifesto should be issued to the members of the Alliance to encourage action upon their part in defence of their Cause, and to present a united co-operative front to the common capitalist enemy.

The following Manifesto was adopted by the Executive at Brussels and was widely published :—

Manifesto.

"To the Co-operators of the World.

THE CO-OPERATIVE MOVEMENT—the greatest Economic Organisation of Consumers in the World, created by the efforts and sacrifices of millions of consumers—IS TO-DAY THE OBJECT OF UNJUSTIFIABLE ATTACKS OF ORGANISED PRIVATE TRADE.

Since its origin CO-OPERATION has always endeavoured to defend the interests of the community. Without distinction of political opinion, or religious creed, it has placed the interests of the mass above the interests of the individual.

CO-OPERATION has maintained its integrity and made progress in spite of the war and the crisis, thanks to the equity of its principles and the rationalisation of its methods.

ITS DEVELOPMENT IS INTIMATELY ALLIED TO THE RESTORATION OF ECONOMIC LIFE; THE MAINTENANCE OF PEACE; AND THE ADVANCEMENT OF CIVILISATION.

Its social utility and success seem to have incited the organisations of private trade, prompted solely by envy and self-interest, to make Co-operation the object of their attacks, and to appeal to the public authorities to impose upon it exceptional and unique taxation and hostile legislation, in order to paralyse its normal activities.

In every country the National Unions and Federations of Co-operative Societies have energetically undertaken the task of defending their GREAT HERITAGE from the Equitable Pioneers of Rochdale and millions of consumers of the past.

*In the presence of these repeated and continuous attacks, faced with the unjust and biased accusations of the adversaries of Co-operation in every country, the INTERNATIONAL CO-OPERATIVE ALLIANCE JOINS WITH THE CO-OPERATIVE ORGANISATIONS OF THE WHOLE WORLD WHICH AT PRESENT DEFEND THEIR RIGHTS AND THEIR LIBERTY OF ACTION, AND APPEALS TO ALL CONSUMERS TO MAINTAIN AND STRENGTHEN THEIR CO-OPERATIVE SOCIETIES CREATED IN THE INTERESTS OF THE COLLECTIVITY FOR THE SATISFACTION OF THEIR NEEDS.

CO-OPERATORS! YOUR GREAT INSTITUTIONS—the work of your hands, the result of your sacrifices in the common cause—ARE MENACED.

THE NEW ECONOMIC BASIS OF CIVILISATION, which your great Principle of Mutuality represents, IS AT STAKE.

CO-OPERATORS, DEFEND YOUR ACHIEVEMENTS AND YOUR RIGHTS!—in your own interest, in that of your families, and of humanity—THAT THE WORLD CO-OPERATIVE MOVEMENT MAY EMERGE FROM THE PRESENT DIFFICULTIES GREATER AND MORE POWERFUL THAN EVER.

Co-operators of the World Unite !"

**POSTPONEMENT
OF THE
FOURTEENTH CONGRESS
OF THE I.C.A.**

Near the end of 1932, but subsequently to the meeting of the Central Committee at which the preliminary arrangements for holding the 14th Congress of the I.C.A. in London in August, 1933, had been approved, certain National Organisations suggested that the acute development of the economic crisis and the difficulties it entailed for the administrators of the Movement in many countries made it desirable that the Congress should be postponed for a year, when it was to be hoped that world conditions would be improved. It was decided to submit the question to the Central Committee by correspondence and to bring the result of the inquiry to the consideration of the Executive in February at Barcelona. When the Executive met, the replies already showed a balance of opinion in favour of postponement.

After a long and anxious discussion of the advantages and disadvantages, the Executive decided in favour of postponement for a year, and notification to all concerned was at once made. The eventual result of the plebiscite was 42 for postponement, 18 against.

THE BASLE CONFERENCE.

During the discussion at Barcelona it had been urged that, in the event of the Congress being adjourned, it was imperative that some other steps should be taken to manifest the attitude of the I.C.A. towards the economic difficulties and attacks upon the Movement from interested outside bodies; also towards the World Economic and Financial Conference which was to be held in London.

The Executive, therefore, decided, at its next meeting at Brussels in April, 1933, to convene a Special Conference for the purpose of discussing those two questions and making pronouncements thereon. The basis of representation at the Conference was fixed at double the regular representation on the Central Committee. The date was to be chosen to permit of the presentation of a Memorandum to the World Economic Conference, with the result that the Special Conference took place at Basle on the 9th and 10th June.

The Conference, in view of all the circumstances, must be regarded as thoroughly representative of the International Co-operative Movement—60 delegates were present from 16 countries.

Two reports were presented, the first by the General Secretary—

**“The Present Position of the Co-operative Movement
in the Various Countries”**

and the second by Mr. E. Poisson, Vice-President—

**“The International Co-operative Movement and the
World Economic Crisis.”**

It should be kept in mind that the whole idea of the Conference was the convocation of an emergency assembly to deal with problems of vital importance to the whole Movement and to consider the publication of clear pronouncements on matters of world economy, both as regards the co-operative and the existing capitalist régime.

It was, therefore, greatly to be deplored, though unavoidable in the situation which unexpectedly arose, that the purpose of the first day's proceedings was largely rendered abortive, and certainly robbed of its force, by the untoward arrival and intervention in the debate of Nazi representatives from Germany, so that the Conference was faced with the truly ironical situation of listening to eulogies of the superior advantages to Co-operation of its development under a particular political régime, pronounced by the representatives of an hitherto neutral National Co-operative Movement.

At the end of the debate on the Situation of the Co-operative Movement, the following Resolution was adopted unanimously :—

The Solidarity of International Co-operation.

“THE SPECIAL EMERGENCY CONFERENCE of the INTERNATIONAL CO-OPERATIVE ALLIANCE assembled in BASLE, representative of 120 National Co-operative Organisations and 70 million co-operative members, mostly heads of families and spread throughout the world—

in the midst of the economic chaos and depression engendered by the greatest series of crises in the world's history, at an hour when civilisation itself is at stake owing to the breakdown of the existing systems of economy and government ;

when the life of humanity presents the startling and discreditable paradox of the resources of nature and man's ingenuity providing an abundance of all the necessaries of life, while the selfishness and ineptitude applied to the organisation of their production and distribution result in colossal unemployment in every land, accompanied by poverty, lack of food, and the moral declension of masses of the youth and manhood of our race ;

in presence of a war mindedness on the part of leaders of thought and action, and of the press, in many lands, so

crude and violent as to suggest that the margin between savagery and civilisation, barbarism and culture, is still very narrow, and when injustice and inequality between the nations threaten to provoke an outbreak of the holocaust of war such as the world has never yet seen—

CALLS UPON THE CO-OPERATORS OF THE WHOLE WORLD, AND ESPECIALLY THOSE AFFILIATED TO THE INTERNATIONAL CO-OPERATIVE ALLIANCE, TO USE EVERY MEANS IN THEIR POWER TO GIVE EFFECT TO THE PRINCIPLES OF CO-OPERATION, PEACE, SOLIDARITY, LIBERTY, AND PROGRESS, expressed in the following Resolutions :—

I. **THE INFLEXIBLE DETERMINATION** of the National Organisations constituting the International Co-operative Alliance to maintain, against all opponents—the voluntary and autonomous character of Co-operative Organisation ; the essential unity of their International Organisation ; and complete liberty to pursue their aims by their own methods and under their own control.

II. **PEACE AMONGST MEN** is the highest aim of civilisation ; the tradition and goal of the International Co-operative Alliance and the world-wide Movement it represents ; and the fundamental necessity of economic restoration from the world-wide depression which afflicts the world to-day.

III. **SOLIDARITY**, which implies unity and fraternity in success or in difficulty, imposes itself upon the Co-operators of the world with more insistence than ever before. To-day, when in many countries the forces of economic and political reaction are arrayed against the voluntary associations of co-operators, it is incumbent on the rank and file, as it is equally so upon their leaders and their organisations, to stand shoulder to shoulder in defence of their liberties and economic aims, to give each other moral and material support to the limit of the means at their disposal.

IV. **INTENSIVE PROPAGANDA** of Co-operative Principles, and recruitment of new adherents to our Cause, should be initiated and prosecuted, with the utmost vigour, by all National Co-operative Movements ; further, they should strengthen their International Organisation in every way in order that, by a similar programme in the wider field, the influence and force of the National Movements may be systematically communicated to those vital economic problems which can only find solution in international action.

V. THE COMPLETE FREEDOM of every citizen to join in the voluntary association of the Co-operative Movement, the maintenance of which is threatened in some countries by the action of public authorities in forbidding their staffs and employees to become members of or accept official positions in the Movement.

VI. That as MAL-DISTRIBUTION and DEFECTIVE ORGANISATION of PRODUCTION are the main causes of the present paradox of humanity suffering poverty and want in the presence of an over-abundance of the resources of nature, the organisation of distribution should be reconstituted on an intelligent and co-operative plan; and that, as it is the incontestable claim of our economic system that it is capable of adjusting the equilibrium between supply and demand—between production and consumption—it is urgently necessary that Co-operation should further demonstrate its economic efficacy by initiating, without further delay, the international co-operative organisation of those commercial and industrial activities which lend themselves to voluntary co-operative action."

This declaration was communicated to all the members of the I.C.A. and also given publicity in the publications of the Alliance.

"The International Co-operative Movement and the World Economic Crisis"

The report of Mr. Poisson gave rise to a long and animated discussion which threatened at one time to leave the I.C.A. without a policy concerning the crisis, or any indication to the World Economic Conference of the attitude of Co-operation towards the various solutions of world problems which had been promulgated.

Eventually, however, agreement was arrived at on a minimum statement of the co-operative position by the simple, if drastic, process of setting aside Mr. Poisson's Memorandum and constructing a new one, based on the criticisms launched in the debate.

The following are the main paragraphs of the declaration to the World Economic Conference :—

MEMORANDUM
to the
MONETARY AND ECONOMIC
CONFERENCE IN LONDON
submitted by the I.C.A. on behalf of the
INTERNATIONAL CO-OPERATIVE MOVEMENT.

“ In the name of 70 million Co-operators in more than 40 countries, representing 120 National Co-operative Organisations, the International Co-operative Alliance submits to the Monetary and Economic Conference, assembled in London, the following observations on some aspects of the very complicated and vital problems for which the Conference is called upon to find solutions.

The Organisations constituting the International Co-operative Alliance—whether Consumers' Co-operative Societies, Workers' Productive Associations, Co-operative Credit Societies, Co-operative Agricultural Productive and Sale Societies, or any other of the numerous types of society embraced by co-operative activity—all conform to certain essential principles which constitute the Charter of International Co-operation.

The chief of these are :—

- The Priority of Manhood over Capital.
- The Conduct of Enterprise for Service and not for Profit.
- The Substitution of Mutual Aid for Competition.
- The Strict Observance of Political and Religious Neutrality.

* * * *

THE INTERNATIONAL CO-OPERATIVE ALLIANCE
is of opinion that :—

Any effort towards the economic reconstruction of the world; any endeavour to overcome the crisis, would be entirely futile without the guarantee of a definite and durable peace, not only for a part of the world but for all peoples.

The economic crisis, no matter what theories may be advanced to explain it, is characterised by its extent, its acuteness, and its duration. It is unprecedented and it is, above all, international and world wide. For an international crisis there can only be international solutions, and these

cannot be found in an increase of national palliatives or in an undue furtherance of national interests.

To restore order in the present economic chaos it is absolutely necessary that all nations affected by the crisis should act in common in fighting against the depression from which they are suffering. Such a concerted and unanimous effort can only take shape and succeed by agreements or conventions, in which each nation renounces certain of its sovereign rights for the benefit of the community of nations. Every contract implies a limitation of liberty, to a greater or lesser degree, and an agreement is not international unless, to some extent, it restricts national sovereignty itself.

THEREFORE, the International Co-operative Alliance urges :—

1. THE STABILISATION OF CURRENCIES UNDER INTERNATIONAL CONTROL WITH THE ULTIMATE OBJECT OF ESTABLISHING AN UNIFORM WORLD CURRENCY.
2. THE DEFINITE SETTLEMENT OF THE URGENT PROBLEM OF ALL INTER-GOVERNMENTAL DEBTS.
3. THE ENDEAVOUR TO SET UP AN ECONOMIC ORGANISATION FOR THE FIXING OF PRICES WHICH WILL SUFFICIENTLY REMUNERATE THE PRODUCER WITHOUT UNDULY BURDENING THE CONSUMER.
4. THE CONCLUSION OF AN INTERNATIONAL CONVENTION FOR THE ABOLITION OF ALL DIRECT AND INDIRECT PROTECTION, AND THE SUBSTITUTION OF INTERNATIONAL SOLIDARITY FOR COMPETITION.

Amongst the various phenomena revealed by the economic depression there emerges an interdependence which calls for a concomitance of effort and for simultaneous action, and the Monetary and Economic Conference must not lose sight of the necessity of the simultaneous application of the solutions eventually adopted.

FINALLY, THE INTERNATIONAL CO-OPERATIVE ALLIANCE DECLARES THAT IN ITS NATURE, ITS AIMS, PRINCIPLES AND INSTITUTIONS, THE INTERNATIONAL CO-OPERATIVE MOVEMENT HOLDS THE FULL AND DEFINITE SOLUTION TO THE PROBLEM OF ECONOMIC CHAOS AND OF THE WORLD DISEQUILIBRIUM BETWEEN PRODUCTION AND CONSUMPTION.

* * * *

The International Co-operative Alliance submits these suggestions with the single object of serving the general interests of mankind and the progress of Civilisation, in the development of which the Co-operative Movement itself is one of the factors."

THE GERMAN CO-OPERATIVE MOVEMENT AND THE I.C.A.

The changing conditions of the Co-operative Movement in Germany were first brought to the notice of the Executive at their meeting at Paris in May, 1933, on the report of the General Secretary of his visit to the Central Union and Wholesale Society at Hamburg on the 2nd and 3rd May, when he had been present at the earliest manifestations of the storm which was shortly to break up the even tenor of the German Movement's progress. The first of May had been celebrated in Hamburg, as in other parts of Germany, by demonstrations of organised labour, enthusiastic in character, but directed by Nazi authorities, the sinister significance of which was evident the following morning when the seizure of the fine Trade Union headquarters next door to those of the German C.W.S., and the arrest of all the leading officials and employees, was swiftly carried out. Simultaneously the magnificent building on the shores of the Alster which housed the Insurance Society, jointly owned by the Trade Union and Co-operative Movements, was raided and its effects seized for examination into its activities. It was soon discovered that the Co-operative Movement was closely concerned in certain Departments of the insurance work and that, to facilitate the ordinary operations, a part of the daily work was carried on in the office of the Central Union of Consumers' Societies. So that, when the General Secretary of the I.C.A. arrived quite early in the morning of the 2nd May at the office of the Central Union, he found the main entrance closed and the approaches held by Nazi troops whom it was necessary to satisfy as to one's bona fides at the risk of personal search or arrest before passing in or out. The ostensible reason for this initial control was the examination of the Insurance Society's affairs which were carried on in the same general office as those of the Union, but, as the events which followed proved, the effective control of the German Co-operative Movement had begun.

The General Secretary had long consultations with our colleagues of the Union and C.W.S. during the two days of his stay, when the possibility of assuring the continuance of the Movement and maintaining in their integrity its Co-operative Principles was earnestly discussed. Our friends of the Union not only accepted his views, but sought and received his sympathetic counsel. On the broader question of official aid or interference they were quite definite that their destiny must be fought out by themselves, and that outside intervention, be it never so friendly, was more likely to hinder than to achieve their purpose.

As has been noted elsewhere, the work of printing the German edition of the I.C. "Review" was renounced a few days later, and the Director of the Union who had replaced our old colleague August Kasch as chief of the Publications Department, Dr. A. Remmele, was arrested and returned to Baden where he had formerly been Minister, and there publicly humiliated.

From this point events moved rapidly, and the transformation of the German Movement was so definitely outlined that it was deemed impossible for the German Movement to be represented at the Special Conference convened at Basle for the 9th and 10th June, or for its representative to take part in the meeting of the Executive which preceded it.

At the last moment, however, a telegram was received from Hamburg saying that Mr. V. Klepzig (member of the I.C.A. Executive) would attend the Conference accompanied by Erich Grahl and Robert Schloesser, the two administrators appointed by the Nazi authorities to control the activities of the Consumers' Union and C.W.S. at Hamburg. It is necessary, perhaps, to state a little more fully the status and quality of these two men. Erich Grahl is a business man of considerable capacity, appointed by the authorities to carry out the Nazi policy in regard to the Co-operative Movement under the direction of Herr Müller, who is the titular chief. Robert Schloesser was then a director of the Catholic Consumers' Union at Cologne which, however, was not affiliated to the I.C.A. and had, in fact, operated for many years in strong opposition to our friends at Hamburg. He claimed at Basle that he was the chief of the delegation and the "confidential agent of the Government."

The receipt of this telegram caused quite a sensation in the ranks of the Alliance, and on the arrival of the representatives from Hamburg the permission of the two Nazi officials was obtained for Mr. Klepzig to attend the Executive Meeting, where the problem of their demand for admission to the Special Conference was discussed for several hours. Eventually the following Resolution was adopted:—

DECLARATION OF THE EXECUTIVE.

"The Executive, having heard the explanations of Mr. Klepzig of the present situation of the German Co-operative Movement and the efforts which are being made to prevent its destruction, accepts the nomination of its representatives to this Conference in the spirit of the constitution of the I.C.A., but reserves its conclusion upon the character of the changes which are now taking place in the organisation of the German Movement, the full character of which must, in any case, become the subject of enquiry on the part of the I.C.A. and consideration at its next Congress.

But the Executive declares again its determination to maintain the voluntary and democratic character of co-operative organisation, which is open to all without respect of their religious faith or political opinion; it protests against all interference by the State or other authority which would limit the freedom, abrogate the rights of voluntary organisations to develop under their own control, or interfere in their direction.

The Executive expresses the hope that the delegates will accept, without discussion, this solution of the situation for the purposes of this Conference and in the interests of the vital questions which it is called upon to consider."

The delegation was, therefore, admitted to the Conference with a clear indication of the reservations which were in the minds of the members of the Executive and of the spirit of tolerance which had inspired their decision. We need not here enlarge upon the use which was made of this concession by one member of the German delegation. That is already indicated in the section of this Report which deals with the Basle Conference.

The General Secretary continued to publish in the pages of the I.C. "Review" summaries of the proceedings in Germany which affected the Co-operative Movement, as published in its own official journal the "Rundschau."

At the meeting of the Executive at Vienna in October, 1933, the General Secretary presented a report of the principal events that had taken place since the Basle Conference. This report included the steps that had been taken by the Nazi authorities to forcibly amalgamate four organisations of Co-operative Consumers and, what for the Alliance was of even greater importance, the legal dissolution and liquidation of the German Central Union which was the only German Organisation affiliated to the I.C.A. The four organisations amalgamated were—The Co-operative Wholesale Society (GEG) and the Co-operative Publishing Society (Verlags-gesellschaft), Hamburg; and the Imperial Union (Reichsverband) and Co-operative Wholesale Society (Gepag), Cologne. These four became one under the title of the Reichsbund der deutschen Verbrauchergenossenschaften.

The German Central Union was dissolved by resolutions adopted at statutory meetings held in Hamburg on 14th August, 1933, and its immediate liquidation was ordered. The Executive were, therefore, in the presence of the accomplished fact.

Correspondence had taken place between the I.C.A. and the newly constituted German Reichsbund which tended to show that on the part of the latter there existed the belief that neither the amalgamation with other Organisations hitherto outside the Alliance, nor the dissolution of the Central Union of German Consumers' Societies, had changed anything in the affiliation of the German Movement to the I.C.A. The new German Organisation, therefore, proceeded to nominate to the Central Committee of the I.C.A. three Nazi Governmental representatives to replace three of those Co-operators who had hitherto worked with the Alliance.

The General Secretary pointed out that, subject to the approval of the Executive at its meeting at Vienna, this action must be regarded as entirely at variance with the Statutes of the I.C.A.

There could be no doubt of the dissolution of the Central Union at Hamburg which juridically terminated the affiliation of the German Movement with the I.C.A. There could be equally no doubt about the creation of a new Organisation comprised in part of Organisations not affiliated to the Alliance. In such a case the rules of the I.C.A. required an application for membership from the new Organisation. The necessary forms of application were sent to the "Reichsbund" with the understanding that they should be returned in time to be considered by the Executive at Vienna. In this way the requirements of the rules would be complied with, and no real hiatus need occur in the membership of the German Movement, provided the Executive agreed that the new Organisation complied with the Statutes of the I.C.A.

This report was discussed by the Executive at great length, and no objection whatever was raised to its technical accuracy. Some of the members, however, were desirous of avoiding any lapse, even momentary, in the affiliation of the German Movement and wished to postpone the adoption of the General Secretary's report—which recognised the automatic cessation of the affiliation of the German Movement with the I.C.A.—until the enquiry decided upon by the Executive at Basle had been completed by an investigation on the spot.

Eventually, the report of the General Secretary on the developments of the whole situation from the Basle Conference to that date (October, 1933), and including the interpretation he had given to the position in relation to the I.C.A., was adopted.

The Executive, in its desire to leave no stone unturned which might help them to arrive at a just conclusion, also passed the following Resolution :—

PROPOSAL TO SEND DELEGATION TO GERMANY.

"That, in view of the expressed desire of the German Union to continue in membership with the I.C.A., and after a full discussion of the report of the General Secretary on the present situation of the German Co-operative Movement—which was approved—the Executive of the I.C.A. is of the opinion that a first-hand investigation of the constitution and the practice of the German Movement may be necessary to ascertain whether the German Co-operative Movement now conforms in principle and practice to the rules of the I.C.A., and, therefore, asks the German Union whether, in the event of the I.C.A. desiring to send a deputation of investigation to Germany, they will grant all necessary facilities and guarantees to enable a complete investigation to be made."

This Resolution was conveyed to the "Reichsbund" and elicited the reply that the terms of the proposal were incompatible with the dignity of the new German Organisations who were, however,

quite willing to invite two members of the Executive of the I.C.A., of their own choice, to discuss the matters in question with the Board of the "Reichsbund" at Hamburg. They, therefore, offered an invitation to the President and General Secretary of the I.C.A. to come to Hamburg for that purpose.

The Executive considered this reply at their meeting at Miramar in January, 1934, side by side with the application of the Reichsbund for membership of the I.C.A., which had been adjourned at the Vienna meeting pending the reply of the German Organisation to the proposal of the Executive to send a delegation of enquiry.

Both questions were dealt with together, and after a careful discussion the Executive adopted the following Resolution :—

THE "REICHSBUND" AND THE I.C.A.

"The Executive of the I.C.A., in considering the application of the Reichsbund for membership of the I.C.A., have also taken into consideration the conditions under which the Co-operative Movement in Germany at present functions, and they are not convinced that the fundamental conditions of Co-operation as laid down in the Rules of the I.C.A. can be fulfilled. They are, therefore, unable to admit the Reichsbund to membership in the present circumstances.

In view of that decision, and in acknowledging the opportunity offered in the letter of Herr Müller for representatives of the I.C.A. to meet the Board of the Reichsbund at Hamburg, the Executive are of opinion that no useful purpose would be served by such an interview.

The Executive, nevertheless, express the hope that the time will arrive when the German Co-operative Movement will again freely take its place in the Alliance in conformity alike with its own traditions and the Rochdale Principles of World Co-operation."

That Resolution was duly conveyed to the "Reichsbund" at Hamburg and with its acknowledgment this chapter in the relations of the I.C.A. with Germany closes, always excepting the adjustment of the financial liabilities between them which at present is delayed by the prohibition of the export of currency from Germany.

INTERNATIONAL CO-OPERATIVE DAY.

This annual festival of celebration and propaganda has now been observed without interruption for eleven years. In many countries International Co-operative Day has become firmly established in the co-operative calendar, and is the most popular demonstration of the year. Its success is the result of co-ordinated effort on the part of all sections of the Movement. The celebrations in several countries now follow a general plan suggested by the National

Organisations, which supply material for propaganda and decoration to the local Societies, whose departments combine to produce a simultaneous and striking impression of fruitful co-operative activity.

Naturally, the character of the celebrations in recent years has reflected the change in the economic circumstances and outlook of the rank and file of Co-operators. For the last two years, expenditure has been less lavish, and rejoicing less exuberant. On the other hand, the Day is observed with all the greater earnestness and even solemnity. Moreover, those festivities in which children take the chief interest are the last to be curtailed, and the International Co-operative Day becomes more and more a festival of youth.

In 1932 the Executive decided to replace the *Manifesto* by a special issue of the I.C.A. Co-operative News Service. The purpose of these publications is to give to the members of the Alliance and also to the Co-operative Press some authentic statements on the aims and activities of the I.C.A., as a world economic force, and with special reference to current world problems; and also propaganda material suitable for general application in connection with Co-operative Day. These News Services have been extensively used by national co-operative journals.

The resolutions prepared by the Alliance have embodied a declaration of the fraternal spirit which animates Co-operators, and their unity in defence of their common ideals; they have emphasised the interdependence of nations, and the power of resistance of the Co-operative Movement to the economic chaos resulting from the disintegration of capitalism, and have affirmed that the universal application of co-operative principles is the only means of overcoming the crisis and preventing its recurrence. The resolution adopted in 1933 voiced the Movement's determination to maintain its voluntary character and to preserve complete liberty of action and direction, calling upon Co-operators to unite in manifesting their solidarity in the promotion of peace, liberty and justice as the only firm basis of a true civilisation.

THE INTERNATIONAL CO-OPERATIVE SCHOOL.

The Tenth, Eleventh and Twelfth International Co-operative Schools were held, respectively, at Vienna in 1930, Freidorf, Basle, in 1931, and Prague in 1932. The Thirteenth School, which was postponed last year on account of currency restrictions and other difficulties, will be held in London during the week preceding the Congress.

The Tenth, Eleventh and Twelfth Schools marked, both numerically and in other respects, a considerable advance in comparison with their predecessors. The Vienna School was attended by the record number of 147 students from 20 countries. At Freidorf,

where the School was held in the Training School of the Swiss Co-operative Union and the students lodged with the residents in the co-operative garden village, there were 90 students from 17 countries. At Prague, as a result of the trade depression, restrictions on travel and the depreciation of national currencies, the attendance declined slightly to 80 students from 15 countries. One very gratifying feature has been the representation of a larger number of countries and, in particular, the participation in the last three Schools of the Co-operative Organisations of the countries of South-Eastern Europe whose students have formed an increasing proportion of the total attendance.

Simultaneously, efforts have been made with noteworthy success to improve the qualifications of the students and to increase the effectiveness of the work done. As a first step towards the selection of students the Alliance has strongly urged that the National Organisations should themselves appoint students, and that all individual applications should be endorsed by them. A growing number of National Organisations are appointing members of their staffs to attend the Schools. While no radical change has been made in the character of the subjects chosen for discussion, great advantage has been secured by the systematic arrangement of the lecture programme so as to form a consecutive course. The subject chosen for the special course at the Prague School was "Economics of International Co-operation," which was discussed from different angles in four lectures. At Freidorf the problem of "The Co-operation of Organised Producers and Consumers" was similarly treated in five lectures.

Through their generous hospitality, the National Organisations which have entertained the School have made invaluable contributions to its success. The high level of community life which is achieved by students in the International School year after year affords the best confirmation of the real and enduring value of this kind of educational work.

INTERNATIONAL CONFERENCES ON EDUCATION.

In harmony with the growth of co-operative educational organisation in all countries and the development of its International School, the Alliance has endeavoured by means of International Conferences to lay foundations for organised and regular collaboration between the responsible directors of education in the various National Organisations, and to further the international education of Co-operators.

The Special Conference on Co-operative Education held at Vienna in connection with the last Congress was attended by over 100 delegates from 20 countries. The subject of International Co-operative Education and the Educational Programme of the I.C.A. was

introduced in two papers, and the discussion yielded a number of useful suggestions, both concerning the educational rôle of the I.C.A. and the assistance it could render to the National Organisations in solving their educational problems.

A second Conference was held at Basle in July, 1931, immediately after the conclusion of the International Co-operative School. Although the attendance was not large, the delegates consisted of responsible officials actively engaged in directing the educational work of National Co-operative Organisations in 11 countries. The two sessions of the Conference were occupied, respectively, in discussing a paper on Methods and Aims of International Co-operative Education, and a report on the Organisation of Co-operative Education prepared by the I.C.A. from information supplied by the National Organisations. The result revealed very clearly the predominant interests and problems of co-operative educationists, and their universal desire to learn new methods from other Co-operative Organisations in order to select and apply the best. It is, therefore, to be regretted that the exchange of experiences which was developing through these Conferences has been interrupted by the economic difficulties which have prevented further meetings until this year, when the Congress, it is hoped, will once more make possible a representative gathering of co-operative educationists.

INTERNATIONAL CO-OPERATIVE PRESS CONFERENCES.

At the Vienna Congress, for the first time, a Special Conference of Co-operative Press Representatives formed part of the Congress Programme. This Conference, which followed a successful Press Conference held at The Hague in the previous year, was attended by 72 delegates representing 21 countries. The proposals for co-ordination of co-operative press work contained in a Memorandum on the Organisation of the International Co-operative Press, submitted by the General Secretary of the Alliance, met with general acceptance, and were recommended for adoption by the I.C.A. In particular, the arrangement of annual International Press Conferences and Study Week-Ends for Co-operative Journalists were suggestions which were enthusiastically supported.

At the invitation of the former Central Union of German Consumers' Societies, the Alliance accordingly arranged to hold a Week-End School for the International Co-operative Press at Hamburg from the 2nd to 5th May, 1931. This was attended by 27 delegates, all of whom were editors or members of the editorial staffs of the Co-operative Publishing Organisations of 9 countries, as well as of the I.C.A. The conference discussions, which centred upon the Press Work of the I.C.A. and the Co-ordination of the Co-operative Press, resulted in the unanimous adoption of a number of recommendations concerning the improvement of the circulation

of the "Review of International Co-operation" and the establishment by the Executive of the I.C.A. of an organisation for giving effect to the suggestions made by the International Press Conferences.

Owing to the prevailing economic conditions it has not been practicable to hold Press Conferences or Schools during the last two years, but the series of Conferences will be resumed in connection with the London Congress.

MISSIONARY PROPAGANDA.

The necessity of organising special propaganda supplementary to that which is involved in the ordinary activities of the Alliance, its publications, conferences, etc., occupied the attention of the Executive at meetings immediately following the Vienna Congress, and at their request the General Secretary prepared a memorandum on the subject early in 1931, when the Gold Standard was still in operation and the finances of the I.C.A. showed signs of expansion with the consequent possibility of providing the funds for such an extension of the work.

The memorandum was based upon the experience gained by the visit of the General Secretary to Canada in 1928, the occasional contacts by visits to National Movements in Europe, and the many letters of eager enquiry received from other continents in the ordinary course of our work. It urged the extension of the plan of visits; conferences; counsel and financial aid for the purpose of co-operative development. It proposed the provision of a scheme that might be applied to aid weak Movements already in membership with the I.C.A. Beyond this there was outlined the urgent need of propaganda efforts of a missionary character on other continents, in many of the States of which a Co-operative Movement of Consumers and Producers already existed in the embryonic stages, and eager for enlightenment on the principles and practices which had brought the Co-operative Movement in Western Europe to its present development.

As examples were cited:—

1. Asia (China, Korea, Japan, Turkey, Persia).
2. South American States.
3. South Africa.
4. Australia and New Zealand.
5. India.

The memorandum was approved and the proposals adopted in principle by the Central Committee, together with the agreement to allocate, as a commencement, £500 a year to these purposes. Unfortunately, owing to the diminution that has taken place in the finances of the Alliance since September, 1931, when the scheme was approved, no effect has been given to it.

The bare facts are set out here as a record of what was attempted and in the hope that they will inspire new effort in directions which are making more insistent demands to-day than ever.

INTER-CO-OPERATIVE RELATIONS OF AGRICULTURAL AND CONSUMERS' ORGANISATIONS.

The report, on this subject, to the last Congress outlined the steps that had been taken, by friendly conferences between representatives of the International Co-operative Alliance and the International Commission of Agriculture, convened under the auspices of Albert Thomas, to ascertain the prospects of establishing relations between the two International Organisations concerned, with a view to organic relations and practical economic transactions between their affiliated National Organisations of Production and Consumption.

These conferences made it clear that there existed a basis for joint action and also a desire for an entente between the two International Movements, which might be cultivated to the advantage of international co-operative progress.

In the report which brought these preliminary discussions to a conclusion it was recommended that on the initiative of the I.C.A. and the International Commission of Agriculture a Joint Committee should be constituted for the promotion and development of moral and economic relations between Agricultural Producers' and Consumers' Co-operative Societies, consisting of fourteen members (seven from each side), together with an independent Chairman. It was further recommended that the representatives of institutions, official or otherwise, whose technical or moral assistance may be considered of value to the Committee, may be invited to attend the meetings of the Joint Committee.

The Executives of the two Internationals agreed to these proposals. Mr. Albert Thomas was appointed President at the first meeting of the Joint Committee held at Geneva in February, 1931, since when four further meetings have taken place.

Enquiries have been made by means of questionnaires and general research into the following subjects : (1) Types of joint undertakings of Organisations of Producers and Consumers ; (2) Existing Joint Committees of Consumers' and Producers' Societies.

This research is with a view to the extension of the best types of inter-co-operative relations, and the Committee has collected a large amount of valuable information which will be co-ordinated for that purpose. It may be noted that the most useful and important example of joint undertaking which has been found by the Committee

is the New Zealand Produce Association, which is a joint concern of the English C.W.S. and the New Zealand Farmers.

Enquiries have also been undertaken into the extent and character of the participation of Agricultural and Consumers' Co-operative Organisations in (a) the trade in Eggs ; (b) the trade in Butter.

On all these questions the greater contribution to the documentation and information has been provided by the International Co-operative Alliance.

In 1932, following the untimely death of Mr. Albert Thomas, a re-arrangement of the officers of the Committee took place. Mr. Harold Butler, the then newly appointed Director of the I.L.O., was elected the independent Chairman ; Mr. E. Poisson and the Marquis de Vogué were elected Vice-Presidents, representing respectively the I.C.A. and the International Commission of Agriculture. These three, together with Mr. H. J. May, as General Secretary of the I.C.A., and Mr. A. Borel, as Secretary of the International Commission of Agriculture, constitute the Bureau of the Joint Committee, and are responsible for the preparation of the agenda for each meeting as well as for the carrying out of the Committee's decisions.

The Secretarial work of the Committee has been carried out by Dr. G. Fauquet as Chief of the Co-operative Section of the I.L.O. until his retirement, when he was succeeded in both offices by Mr. Maurice Colombain.

ALBERT THOMAS.—The Joint Committee, at its meeting in Geneva in September, 1932, paid a sincere and warm tribute to the memory of Albert Thomas, who was not only its first President but the initiator of the Committee. It was to his enthusiasm for Co-operation, no less than to his wide influence as Director of the I.L.O., that the Committee owed its inception and establishment. They could best honour his memory by pursuing its aims in the spirit and inspiration which he had imparted to all its work.

* * * *

The Assembly of the League of Nations, at its Sitting of 12th October, 1932, adopted the report of its Committee, including the following Resolution :—

“The Assembly expresses the wish that the Economic Organisation of the League of Nations should continue to follow closely and to support the work of the International Committee of Inter-co-operative Relations, and that it should endeavour, in collaboration with the International Labour Office, to find the best means of making available to those concerned the information collected by this Committee concerning the progress of Co-operation in the different countries.”

COUPON TRADING.

The question of what ought to be the attitude of the Co-operative Movement towards Coupon Trading and Free Gift Schemes was submitted to the Executive by the Belgian Union in 1932, when it was decided to collect information from the National Movements with regard to their practice, their views on the subject from the point of view of Co-operative Principle, and also on the existing legislation, if any, of either a permissive or controlling character.

A Report embodying the information received from the members of the Alliance was submitted to the Executive at Geneva in October, 1932, but it was not until a year later that the decision was taken to publish in the I.C. "Review" a summary of the interesting replies received from various countries, and to prepare a resolution setting forth the attitude of International Co-operation towards the whole question.

The Executive eventually came to agreement on the following text which was adopted and directed to be published :—

RESOLUTION.

"The fundamental principles of the co-operative system are to eliminate competitive trade for private profit and to supply the consumers with pure goods of genuine value, at the lowest price consistent with a fair remuneration to all the elements of their production. Coupon Trading and all so-called Free Gift Schemes intensify unfair competition and raise the price of commodities to the consumer. All such systems are based upon a psychology which is opposed to the social inspiration and commercial morality of Co-operation, and encourage the baseless belief that the consumer is receiving a benefit for which he does not pay.

The International Co-operative Alliance, therefore, condemns the system of Coupon Trading, so-called Free Gift Schemes, and all such devices for artificially stimulating sales, as being contrary to the interests of the consumer, whether he be co-operator or not."

NIGHT WORK IN BAKERIES.

This question was brought to the notice of the Executive at the beginning of 1932 by the French Co-operative Union (F.N.C.C., Paris) on account of the inequality existing in France where industrial bakeries, including those of Co-operative Societies, were prohibited by law from working at night while private bakers, employing no labour outside their families, were free to continue the practice of night baking and thus obtained an unfair advantage. It was decided to issue a Questionnaire to all National Unions in order to ascertain the position of Co-operative Societies in this respect, and also their views on the subject of night work.

The report on the replies received was appreciated as a valuable summary of the then existing conditions in 20 countries, and was circulated to all the members of the I.C.A.

Further, as the 1925 Convention of the International Labour Office on this subject was due to be revised in 1933, it was proposed to the Executive that an endeavour should be made to secure an amendment of the Convention releasing Industrial Co-operative Bakeries from the prohibitive clauses, on the ground that the conditions of labour in Co-operative Bakeries were such as to leave no ground for complaint on the part of the workers employed. Moreover, as it was not proposed to enforce this prohibition upon a considerable portion of those engaged in the industry it imposed an unfair handicap upon those who were providing the best conditions of labour.

The Executive agreed to this proposal in principle, but it was decided, as a preliminary step, to ask the Director of the I.L.O., Geneva, to consider the best means of securing agreement with the Trade Unions concerned. The Director, Mr. Harold Butler, agreed to convene a Conference, representative of both sides, to discuss the question, and the delegates of the I.C.A. and the Trade Unions met at Geneva in November, 1932. The discussions, however, yielded no useful result as the Trade Union representatives were unwilling to make any concession in favour of Co-operative Societies.

The Executive of the I.C.A. further considered the matter with a view to pressing their views upon the I.L.O. when the Convention came up for revision. It transpired, subsequently, that this revision was being postponed until 1937; the whole question, therefore, stands in abeyance.

THE PRINCIPLES OF THE ROCHDALE PIONEERS.

The last Congress requested the Central Committee "To appoint a Special Committee to enquire into the conditions under which the Rochdale Principles are applied in various countries and, if necessary, to define them."

The Central Committee thereupon requested the Executive to consider the best means of giving effect to the Congress decision, when it was decided, following the precedent of the constitution of the Committee on Economic Policy, that the Special Committee on the Rochdale Principles should consist of the members of the Executive supplemented by six members of the Central Committee chosen in a manner that would give the widest possible representation to the membership of the I.C.A. The six members invited to participate in the work of the Committee were: Dr. A. Suter (Switzerland); Mr. M. Rapacki (Poland); Dr. G. Mladenatz (Roumania); Prof. P. Salcius (Lithuania); Mr. J. Ventosa Roig

(Spain); Dr. J. P. Warbasse (U.S.A.). Subsequently, but before the Committee had met, Mr. Elemer de Balogh (Hungary) was added to the number.

The procedure adopted by the Committee was the issue of a Questionnaire to all the affiliated Organisations of the I.C.A. in order to obtain the material upon which the Committee could begin its deliberations. A very large amount of information was obtained in this way which enabled the Committee to formulate the main lines of its Report, and to indicate the points on which further information and definition were desired. Side by side with these enquiries the General Secretary made an examination of the available records of the Pioneers, visiting Rochdale for the purpose and consulting with descendants of the Pioneers and officials of the Society, who placed their knowledge and records freely at the disposal of the Committee. The Special Committee has met seven times, always in connection with the regular meetings of the Executive. A great deal of time and care has been given to sifting the evidence of the origin and authenticity of the "Principles" and also in obtaining accurate information from the National Unions concerning their present application.

The work of the Special Committee, together with its conclusions and recommendations, are the subject of a separate report.

ROCHDALE MEMORIAL OF THE PIONEERS.

It is appropriate to mention here the action of the British Co-operative Union in undertaking the purchase of the original Toad Lane Store and, after suitable restoration, establishing it as a Memorial to the valiant Pioneers.

"The Store" is now open to visitors, furnished with documents, photographs, prints, records, and relics of the earliest days of the Movement, started in 1844. It is a centre of growing interest, and the action taken by the British Union has given permanence and authority to its educational character.

The dedicatory ceremony took place on 11th April, 1931, in the presence of a large and representative gathering of Co-operators, at which the I.C.A. was represented by Sir Robert Stewart.

INTERNATIONAL CO-OPERATIVE ECONOMIC POLICY.

As was reported to the Congress at Vienna, the first draft of the Economic Programme prepared by the Special Committee set up for that purpose, as a result of the Stockholm Congress decision that such a statement of policy should be formulated, was sent out to the members of the I.C.A. in 1930 for their approval or suggestions of amendment. The proposals received were discussed at subsequent meetings and a revised draft was approved

by the Central Committee for submission to Congress at its meeting at Paris in October, 1931.

Had the Congress of the I.C.A. not been postponed from 1933 to 1934, it is probable that this revised draft would have been submitted to the Congress in August last year: The delay, however, gave opportunity for further discussions, and just as the Congress had been delayed on account of adverse economic conditions so it was urged that the continual changes that were taking place in world economics necessitated the reconsideration of co-operative policy and the adjustment of our Programme in the light of new experiences. There were some who were in favour of the postponement of any report from the Special Committee until economic conditions had become more stable or, at least, till a certain equilibrium should have been restored.

A further meeting of the Special Committee was convened in October, 1933, with the object of again examining the draft Programme and deciding whether any alteration was needed. Quite a number of suggestions were received, some of them of such a drastic character that the Special Committee found themselves quite unable, at that stage, to undertake the extensive re-drafting which the adoption of these new proposals would necessitate.

The General Secretary was requested, however, to prepare yet another revision of the text, taking into consideration the principal suggestions which had been made.

This new draft was considered at the meeting in January, 1934. Drastic alterations were again proposed and, eventually, a Sub-Committee, consisting of the General Secretary and two members, was appointed to make further revision and to prepare a final draft for submission to the Central Committee.

The Central Committee received the report of the Special Committee at its meeting at Rotterdam in March, when after full consideration of all the difficulties it was decided to present an Interim Report to the Congress to the effect that, in view of the continuance of economic depression and, still more, the changing conditions of economic life throughout the world—changes which, in many vital respects, could not be regarded as temporary but which rather marked the disappearance or revolution of theories hitherto accepted as permanent characteristics of capitalist economy—it was not desirable that the Congress of the I.C.A. should be asked, at the present time, to adopt an elaborate Economic Programme contemplating methods of application which might shortly prove to be incompatible with the changed forms of economic organisation.

The Central Committee were agreed, however, that certain main principles of co-operative economy, which form the basis of any economic programme that could be accepted by the I.C.A., might

well be stated for the approval of the Congress. The policy of the Alliance would thus receive a considerable measure of clear definition, and the Special Committee would be left free to pursue its studies in the light of future developments.

The Committee accordingly found complete agreement in favour of the following statement of International Co-operative Economic Policy which is now submitted for the approval of the Congress :—

INTERNATIONAL CO-OPERATIVE ECONOMIC POLICY.

THE ECONOMIC POLICY OF THE CO-OPERATIVE MOVEMENT IS BASED ON THE PRINCIPLE THAT THE COMMON INTERESTS OF THE CONSUMERS AND PRODUCERS IN ALL COUNTRIES FORM THE MOST SECURE FOUNDATION FOR A NEW ECONOMIC AND SOCIAL ORDER AND ONE OF THE SUREST GUARANTEES FOR THE FUTURE PEACE OF THE WORLD.

THE INTERNATIONAL CO-OPERATIVE ALLIANCE (Central Organ of the World Organisation of Co-operative Societies), therefore, aims at promoting these objects by the realisation of the following

ECONOMIC PROGRAMME.

I. PROBLEMS OF CO-OPERATIVE DISTRIBUTION.

The development of improved forms of distribution and the application of the newest methods and most practical devices which, by the rationalisation and the standardisation of products, will satisfy the maximum needs of the consumer.

II. PROBLEMS OF CO-OPERATIVE PRODUCTION.

The promotion of co-operative production, nationally and internationally, co-extensively with the organisations of consumption and distribution.

III. PROBLEMS OF CO-OPERATIVE CO-ORDINATION.

The establishment of international business organisations on a mutual basis for trading and production and, as stepping stones to their realisation, the exchange of goods between National Movements and the adoption of systems of collective purchase.

The promotion of direct relations between the various Organisations of Consumers and Producers by Joint Committees for directing policy and commercial relations, orderly marketing of agricultural produce, etc.

IV. NEW FORMS OF INDUSTRIAL PRODUCTION.

The application of Rationalisation to co-operative enterprise as a technical system of the scientific organisation of labour; standardisation of material and of products, and the simplification of processes.

V. THE PROBLEM OF THE RAW MATERIALS.

The investigation of the sources of the raw materials of industry, the conditions under which their distribution takes place, and the initiation of improvements in the interests of consumers.

VI. THE PROBLEM OF INTERNATIONAL EXCHANGE.

The gradual development of the international exchange of goods, labour and capital, on the basis of the mutual satisfaction of common needs and the exclusion of the profit-making motive.

VII. PROBLEMS OF FINANCE AND CREDIT.

The establishment of International Co-operative Banking and Assurance on a mutual basis which will satisfy the needs of short, medium and long term credit and, as steps to the achievement of that object, the closest relations between existing National Co-operative Banks with a view to the evolution of uniform methods of business organisation and the exclusive use of Co-operative Banks for co-operative operations.

OBITUARY.

The number of those of our colleagues who have passed over to the great majority since the last Congress is unusually large. It follows inevitably that the ranks of the Movement have been thinned to a much greater extent by the loss of many militant and devoted Co-operators who have not been privileged to participate in the internal administration of the I.C.A.

To the memory of all these, of whatever rank and degree, we desire to pay our humble tribute of respect and esteem for the work they have accomplished and the influence they have left behind, which contributes to the impulsion of the co-operative advance.

We pay homage to the following colleagues of the I.C.A. and its work, whose names are set out in the chronological order of their decease :—

G. A. J. Mirrer (Holland), November, 1930—The able and respected Director of the Dutch C.W.S. and collaborator in the work of the I.C.W.S.

Juan Salas Anton (Spain), March, 1931—Deputy Mayor of Barcelona, member of the Central Committee, I.C.A., and for many years one of the most enthusiastic advocates of Co-operation in Spain.

Henry W. Wolff (London), 7th March, 1931—First President of the I.C.A. and its most enthusiastic “commercial traveller” in its early days. A great linguist and greater writer on Co-operative Credit and other forms of Co-operation.

Ferdinand Jirasek (Czechoslovakia), 8th August, 1931—President of the Czech Union, Prague; Senator; Member of the Central Committee, I.C.A., and a leader in the chief progressive forces of his native land.

Professor Charles Gide (France), 12th March, 1932—The Doyen of the Co-operative Movement, National and International, a true apostle of Co-operation, revered and loved by all!

Sir Horace Plunkett (Great Britain), 26th March, 1932—A great Irishman who inspired the Agricultural Co-operative Movement and rendered the services of a patriot and statesman to our cause and to his own country, and combined in a true internationalism the kindred causes of humanity.

Albert Thomas (France), May, 1932—A brilliant leader of French Co-operation; First Director of the I.L.O., who gave life to its institution; Member of the Central Committee, I.C.A., for the love of the Cause and the opportunity to give light and leading to its activities.

Fritz Lesche (Hamburg), July, 1933—A genial and able Director of the German Co-operative Insurance Society; Member of the International Assurance Committee of the I.C.A.

A short biographical notice concerning these departed leaders has been published in the "Review of International Co-operation" at the time of their decease.

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THE FUTURE ORIENTATION OF THE I.C.A.

In the course of this Report frequent reference has been made to the changes which are manifest in the world to-day, both with regard to the organisation of the national systems of government and to the economic order. They have been cited as contributory causes in quite a number of cases in which, during the period under review, not only the I.C.A. but the National Movements have been hindered in their progress or have experienced adverse currents which they have negotiated with difficulty. It, therefore, seems necessary that we should, at this stage, make an attempt to examine the nature of these "changes" and consider how they affect our co-operative system, and, further, what changes, if any, are necessary in our Co-operative Organisation in order that the disadvantages already experienced should not be intensified but rather eliminated.

The Congress at London should give a clear indication of the road that the Alliance should follow in a changing social order, and should adopt some decisions upon the subject which will give our Movement, National as well as International, right direction. We, therefore, make the attempt to set out in baldest outline the position as it appears to present itself.

The changes which have developed with such rapidity during the past two years have been referred to broadly as political and economic. Now, however much it may be true that, generally speaking, politics and economics are dependent upon one another or are only different parts of the same subject and decided by the same fundamental causes, we suggest that in the present instance they represent separate and distinct tendencies. That is to say, that the spate of nationalism which is translating itself into dictatorships and the suppression of constitutional government is quite distinct from the changing economic conditions whose most prominent features are the passing of the old order of free exchange and economic liberalism, and the increased control of the state over agricultural and industrial production and commerce.

It is suggested further that the political development is transitory and lacks the elements of permanency, while the economic change is permanent and revolutionary in so far as it marks the definite abandonment of old, perhaps outworn, methods of economic organisation. There is no reason to suppose that the dictatorial forms of government which have sprung up are more than transitional phases in the life of nations, and are even lapses and backward steps in the march of civilisation from which the world will recover after some tribulation. Freedom is one of the laws of progress of the human race towards which mankind is continually striving, and it cannot for long be denied to any intelligent people. We may assume that in a not distant future it will reassert itself in the countries where it is now suppressed.

The development of controlled economy, which characterises the new economic order and organisation of economic life by the State, is really the quickening of a process of economic change and rationalisation which has been proceeding perceptibly, if slowly, since the beginning of the century. The greatest economic depression which the capitalist system has produced, and which has now been oppressing the world since 1929, has greatly increased the pace of State intervention which began in such modest and obvious ways as the organisations of the post, railways, etc., and enlarged into the regulation of the conditions of labour. The post-war conditions of unemployment, a direct result of the gigantic dislocation of industry produced by the war itself, also tended to precipitate the changes we see around us to-day.

Moreover, the complicated character of modern industrial society renders absolutely necessary the intervention of the state in the regulation of production, consumption, and the distribution of wealth. Combinations of private entrepreneurs on a national or international basis, such as the cartels and trusts, can only carry out their industrial and marketing schemes with the help of the state. We know, only too well, that this intervention is often detrimental to the interests of the consumer, and that even the resources of a democratic state may be used with the same effect.

But the democratic state can also supply the basis of a "planned economy" in the interests of the consumers when it is operated through voluntary organisations of consumers and producers, and the community effectively controls the state and municipal enterprises.

The conception of "planned economy" is, to a large extent, a renunciation of those fundamental principles of the capitalist order which assume that the regulation of production and consumption is effected automatically through the mechanism of prices; determines the profitable employment of productive resources; and mechanically reflects all the changes in the demands of the consumer. Theoretically, the normal working of the market adjusts demand and supply and, from the capitalistic point of view, makes superfluous any interference on the part of the public authorities. But the existence of trade cycles and severe economic depressions shows that production and consumption do not adjust themselves by regular and gradual movements. Hence the effort to supplement the marketing mechanism by state intervention, or effective planning on the part of international combinations.

To co-operators "planned economy" has a double signification. In its generally accepted sense, it represents a group of national experiments calculated to overcome the present economic chaos by the solution of that vital problem, the production of an equilibrium between production and consumption. It is even more widely an effort to compensate the inherent defects of the capitalist system, and constitutes, on the part of independent states, a national contribution towards Economic Recovery. As such, it may have its advantages, but also its limitations, and can scarcely be regarded as a permanent method of economic organisation because, as the trade cycle completes its revolution and, by those mysterious means which all the world's economists are incapable of diagnosing, world economic prosperity is restored, the need of planning will disappear in the wild free play of competition which is the life-blood of the capitalist system of economy.

The other view of "planned economy" which the co-operator visualises is that of the higher social order, based upon association of which the Co-operative Movement is the concrete and classic example. Co-operative planned economy differs essentially from that of the existing capitalistic order in that it can only be realised on an international plan which takes full account of the resources and possibilities of every national unit.

"Planned economy" is sought to be put into operation in different ways. For example, there are the methods of the National Recovery Act in U.S.A. and less co-ordinated plans of Great Britain, both of which are based upon the maintenance of constitutional government and free institutions. On the other hand, there is the appearance of the Corporate State which is peculiar to the countries of

dictatorship, and incidentally corresponds in its outlines to the mediæval Guild System which most of us thought had been relegated to history. Under the "planned economy," either of the National Recovery Act or the partly developed plans of Great Britain, the Co-operative Movement and other types of voluntary associations, are neither hindered nor displaced, but have their free opportunity of development.

Under the corporate system, which is slowly developing in certain countries, and which has not yet revealed its complete mechanism, it appears that the freedom and independence of voluntary associations like the Co-operative Movement, if not wholly suppressed, are restricted and controlled in such a way that the significance of their economic structure is nullified.

It is in these conditions that we have to consider what ought to be the attitude of the I.C.A. and the Co-operative Movement generally towards the changing order.

Let us assume, for our present purpose, that the Congress at London will adopt the report of the Special Committee on the Rochdale Principles and thus re-affirm, in an unmistakable manner, the sound and equitable economic basis of Co-operation as the only practical alternative to the existing capitalist economic system.

Let us assume, also, that the outline Programme of Economic Policy, so fully accepted by the varied views represented in the Central Committee itself, will also receive the approval of the Congress, and which, in Section VI., dealing with the problem of international exchange, accepts the passing of the old liberal doctrine of *laissez faire* and substitutes for it the co-operative conception of a "planned economy," thus completing the co-operative economic system as the basis of a new social order.

If these assumptions are realised, there remains the question of what is the place of Co-operation in the new scheme of things. In the countries where personal freedom and freedom of association still exist, the question to be considered is simply the place of our voluntary association in schemes of national reconstruction, effected through democratic and parliamentary methods—in other words, the recognised limits of voluntary co-operative enterprise in relation to the municipality and the state. "Planned economy" applied in any state implies restriction and regulation in the interest of the community. There is, therefore, no serious inequality involved to the Co-operative Movement being included in a scheme of national planning, provided always that the regulations of the state do not differentiate between co-operative and competitive enterprise, but impose their restrictions on each impartially in the truly national interest, that is, for the benefit of the whole population.

In the countries of dictatorships and the corporate state, the problem is not so easy of solution. As we have already pointed out,

the establishment of a "planned economy" in those countries has a different inspiration from that which obtains in free countries, and aims primarily at consolidating the existing economic order which has its main impulse in private profit-making. So far, however, as the corporate state aims at the reconciliation of the conflicting social interests of the community—elimination of the class war and other forms of social strife—there is no fundamental reason why the voluntary associations of co-operators should not find their place in its framework.

Should we not, therefore, seek to formulate our policy on such lines as would at once preserve intact the economic and constitutional basis of Co-operation, as set out in the Principles of Rochdale and define its relation to the changing world conditions with the object of maintaining the integral organisation of our International Co-operative Alliance.

On behalf of the Central Committee,

VÄINÖ TANNER,
President.

HENRY J. MAY,
General Secretary.

Discussion on the Report of the Central Committee.

The PRESIDENT : We will now open the discussion on the Report of the Central Committee on the Activities of the Alliance since the Vienna Congress, which we will take section by section.

INTRODUCTION.

Dr. E. DE BALOGH (Hungary) : In speaking on the Report of the Central Committee on behalf of the Union of Hungarian Co-operative Societies, I cannot omit to express my sincere thanks and warm appreciation for the devoted and successful work which has enabled the various organs of the I.C.A., under the expert leadership of its esteemed President and General Secretary, not only to maintain, but in some respects even to extend, the work of the Alliance during the years of acute crisis. I have no intention to deal extensively with the individual sections of the Report, but will confine myself to examine, objectively and without regard to politics, the question relating to the attitude of our Movement towards the social and economic changes which are taking place. The question involved is, in my opinion, of such far-reaching importance that its correct solution is not only decisive for our future activities, but even for the continued existence of the Alliance and future international co-operative collaboration.

The Report says that we are face to face with an acceleration of the process, brought about by the war and the subsequent economic depression, which aims at the substitution of the out-of-date liberal capitalist economic system by a new system, which will better safeguard the legitimate interests of the largest section of the population. If this is the case, it will be the principal task of the I.C.A., as the representative of the universal interests of our Movement, to pursue this process with the greatest attention and to devise ways and means appropriate not only to assure the existence and further development of the Co-operative Movement, but also to secure for it a leading part in the transformation of things to which it is fully entitled by the ethic principles which it embodies.

It cannot be denied that the Co-operative Movement, in the early days of its development, had to adapt its entire structure and methods to the existing liberal capitalist economic system ; neither can it be denied that to-day, when this economic system is disappearing, far-reaching reforms are needed in the Co-operative Movement if its aims are to be realised in the changing conditions. We all know that co-operative organisation in a number of countries has undergone radical changes in the course of the last few years. The regrettable facts that politics have played a part, and that reforms have been carried out by dictatorial methods, have aroused

suspicion that these measures were hostile to Co-operation. Towards these reforms the I.C.A. has adopted an altogether negative attitude, and has even decided to sever all relations with the Co-operative Organisations in the countries concerned.

As the representative of a country which is justly proud of its thousand years' constitution, and the delegate of a Co-operative Organisation which has grown up in the free air of democratic self-administration, I am of opinion that the adaptation of the Co-operative Organisations to the evolving new economic order must be effected, whilst safeguarding, as far as possible, their freedom of action. This, of course, presupposes that we do not lose contact with current events in the more important countries, but, on the contrary, endeavour to collaborate wherever possible in shaping the future, so that the Co-operative Movement may not be made the involuntary subject, but the conscious upholder of the new economic order.

To-day, when everything is in a state of ferment, it is still uncertain what this new economic order is to be. But one of its chief characteristics will, no doubt, consist in asserting to a greater degree the collective interests of the community as a whole, instead of the interests of individuals. To realise this aim, the most varied methods will be employed in the various countries, of which the Report mentions only the two extremes, but between these extremes are many intermediate stages in proportion to the amount of influence which the State exercises on the economic life.

From the point of view of Co-operation, all these manifestations in the present day development of economy must be closely and carefully followed and examined. For this reason I consider it necessary that we should make every possible effort in order to re-establish the universality of the I.C.A. at all costs. The present position has, in addition, the further serious disadvantage that the realisation of the practical economic aims of the Alliance is thereby rendered much more difficult, if not impossible. In the excellent paper of our colleague, Mr. Albin Johansson, these aims and, above all, the necessity of a speedy development in the collaboration between Consumers' and Agricultural Producers' Societies, are set out with clearness and impressiveness. It will suffice to point out, however, that, without the active participation of the countries which are at present outside the Alliance, such collaboration cannot become really effective.

The International Co-operative Alliance must remain true to the principle of political neutrality at all costs, which implies that it can never become the representative of a particular category of Co-operative Societies or political views, least of all those which are ideologically linked to a movement which is rooted in an economic system that is on the brink of collapse, because this would mean digging its own grave.

On the strength of these observations and without entering upon the merits of the various points, I recommend to Congress to give the Central Committee the necessary powers to ask the Executive for a reconsideration of its decision concerning the relations between the I.C.A. and the Co-operative Organisations in those countries which are not at present members of the Alliance or have withdrawn from membership, and to take all necessary steps for the re-establishment of those relations. Only then can the Alliance become that neutral platform which, in place of the present opposing interests, will form the basis of the new world order which, in the spirit of our principles and under the direction of the will of all the members comprised in the Co-operative Societies, is well adapted to bring about a just settlement between the various interests and to safeguard the welfare of the masses of the people. In this hope I accept the report on behalf of the Hungarian Co-operative Organisations which I represent.

Mr. E. POISSON (France) : The Report of the Central Committee on the work of the Alliance only deals with the years 1930 to 1933, but we are meeting in September, 1934, and during this year—of which no mention is made—very important events have occurred in certain countries, particularly in France.

I think that the Congress would be astonished if I did not bring to it what I may call a "health certificate" from the Co-operative Movement in France.

Following the grave events about which you already know, the French Co-operative Movement has been weakened—I will not say to the point of collapse—but, to say the very least, a few months ago it passed through an extremely difficult time, and it is important that co-operators throughout the world should now know the position.

In France we have lived through very tragic hours. The Co-operative Bank of France, which held in its hands the existence and the future of the majority of the Societies, as well as the life of our Wholesale Society, suspended payment last April, and at that time we passed many anxious hours when we thought that our most important Societies and our Central Organisation itself, whose finance was guaranteed by this Bank, might perhaps disappear.

I am happy to be able to say to-day that now the French Co-operative Movement is saved.

The Co-operative Bank of France went into liquidation : I have not time to tell you the reasons why ; I will only say that this Organisation, which received the savings of hundreds of thousands of depositors and of co-operators, had, unfortunately, without consulting either the Organisations or its Council, used its funds for non-co-operative operations ; sums placed at its disposal had

been used for objects and Organisations which had nothing in common with the Co-operative Movement. On these facts becoming known, a panic occurred amongst the depositors and, eventually, the Bank, pressed from every side, was obliged to deposit its balance sheet. It was then that the Council of the Bank, which is also the Council of all the Central Organisations, was obliged, in view of the seriousness of the hour and the difficulties which were arising, to appeal to the International Co-operative Alliance in the person of its General Secretary. It is true that the Alliance did not entirely succeed in safeguarding, or in saving, our Movement, but we should be unjust and ungrateful if we did not pay homage to the efforts which were made on our behalf by the Alliance, through its General Secretary, to Organisations in other countries.

In expressing our thanks to Mr. May, we would also thank all those who have shown their willingness to help us even though they have not always been able to do so, from the Swiss Organisations to the Swedish Organisations, including our friends the Russian Organisations; we also thank the British Organisations for the effort they have made on our behalf.

All this is now past; to-day the Co-operative Bank of France has established agreement with its creditors; it has preserved its liberty; and it intends to function in the interests of the Co-operative Movement as it has always done. Our Co-operative Societies everywhere remain in being; the Wholesale Society is alive, and for that we must thank the Alliance and our British friends. Henceforth, we shall increase our efforts to develop the French Co-operative Movement and to give it its rightful place in International Co-operation.

Mrs. H. BUTUZOVA (U.S.S.R.): We are very much surprised that the Hungarian delegate has brought up again, in a diplomatic way, the question of including in the Alliance the Fascist Co-operative Organisations. This question was discussed in the Central Committee, after which the Hungarian delegate withdrew his proposal. We are sure that the vast majority of the delegates to this Congress will vote solidly to exclude any possibility, even of discussion, of including in the Alliance Fascist Organisations which have nothing to do with any real Co-operative or working-class organisation.

There are certain questions in the Report to which we will refer later, but at the moment I want to say a few words upon the Co-operative Movement in the Soviet Union, which is not dealt with in the Report to any great extent. Whereas the Co-operative Movement in capitalist countries is experiencing great difficulties, it should be of interest to refer to the successful activities of the Movement in the Soviet Union. The success of the Co-operative Movement in our country is part of the general success of Socialist construction. The Soviet Union is building up a classless society,

and the Consumers' Co-operative Movement is taking an active part in this work.

The rise in the material level of well-being has been accompanied by great cultural progress, and it is obvious that this development has gone hand in hand with a growing consumer's demand. There is no trade depression in the Soviet Union; quite the reverse. The Consumers' Co-operative Movement is growing all the time and becoming steadily stronger. During the last three years the number of members has grown to 73 million, and the turnover has doubled. The number of shops increased by 60,000, and at the beginning of 1934 amounted to 178,000. Pre-revolutionary Russia possessed no bread-making plants. Now all the bakeries in the Soviet Union are owned by the Co-operative Movement. It has built 1,400 bakeries and controls the most extensive and most technically advanced bread-making industry in the world. The Co-operatives have 229 educational schools and universities, attended by 42,000 students. The number of restaurants, factory kitchens and luncheon rooms increased from 10,800 in 1930 to 24,300 in 1932; the co-operative dining rooms cater for 2,850,000 school-children.

Mr. E. LUSTIG (Czechoslovakia): Speaking on behalf of the Czechoslovakian delegation, of both the Czech and German Movements, I want to warn the Congress against accepting a proposal which carries with it the danger of undermining the democratic principles of the International Co-operative Movement. The representative of Hungary, Mr. de Balogh, said that the liberal economic order is fast disappearing and that we must reckon with a new economy. This was a reference to dictatorships in various countries, especially Germany and Italy, which at present are not members of the International Co-operative Alliance.

But we do not think that such important events in the affairs of mankind are taking place at the present time. On the contrary, it is our opinion that capitalism throughout the world is in a serious position and that its exponents in the various countries are trying to protect it by collective action. Those sections which control industry and trade are still hankering after private profit and the various Governments continue to protect private profit, which is the reason for the attacks on the Co-operative Movement throughout the world. These attacks are being made in all countries and it cannot be said that we are approaching an economic system which will meet the needs of the working class population. When we consider this question a little more closely, we find on page 54 of the Congress Agenda, a resolution adopted by the Special Conference at Basle which says:—

“ The Executive declares again its determination to maintain the voluntary and democratic character of co-operative organisation, which is open to all without respect of their

religious faith or political opinion; it protests against all interference by the State or other authority which would limit the freedom, abrogate the rights of voluntary organisations to develop under their own control, or interfere in their direction."

This is the principle on which the Co-operative Movement in the Czechoslovak Republic is based, and we ask Congress to adhere to this clear pronouncement of the Executive and to reject everything that would abrogate the principles of democracy, freedom and equality. We believe that we should be adopting a wrong course if we violated this principle by admitting such countries into the Alliance. If, on the contrary, the Co-operative Movement has to safeguard democracy, freedom and equality in accordance with the Rochdale Principles, then Congress must declare against negotiations with countries in which the Government has used force against the Co-operative Movement and operation of the Rochdale Principles. It is the view of the Czechoslovak delegation that so long as freedom and self-determination are not restored in these countries the Alliance cannot admit them to membership or enter into negotiations with them.

The PRESIDENT: I have still three speakers on my list. I propose that we shall close the discussion on this question after they have spoken. (Agreed.)

Mrs. E. BARTON (Great Britain): In the second paragraph on page 24, reference is made to the loss of the great German Co-operative Movement. I want to draw attention to another loss to the International Co-operative Alliance, and that is the loss of one of its Executive members, Frau Freundlich. I am approaching this not from the personal point of view but from the point of view of the loss it is, not only to the Alliance but also to the International Women's Co-operative Guild. We feel that in this there is a break in that very close association between the International Co-operative Women's Guild and the International Co-operative Alliance, and I would like to suggest to the International Co-operative Alliance Executive that they should consider this matter and see if it is not possible in some way to bridge this difficulty and to keep the close connection between these two Organisations which have worked so closely together in the past.

Mr. S. THUGUTT (Poland): I desire, in my turn, to refer to the proposal of our Hungarian colleague concerning the adaptation of Co-operation to present-day conditions. In this connection I should like to draw attention to a word which occurs so often in our discussions and in our propaganda, that is "neutrality." It is true that neutrality is one of the axioms of our co-operative faith, but all the same I am not sure that this word evokes the same ideas in the minds of all those who call themselves Co-operators. It is rather to be feared that each country, each generation, gives it its

own particular interpretation. There is nothing more dangerous in times of difficulty than a divergence of opinion regarding a word which serves as standard, and that is why I would like to define it a little and to examine this word which inspires us and which carries with it an obligation.

Neutrality has been proclaimed by the Movement from the very beginning of its existence, and certainly it was not merely a diplomatic declaration in which it was difficult to find the real meaning of the words. Our Pioneers were simple people who said what they thought. In their opinion, to be neutral was not to quarrel at meetings about different political or religious opinions. There may, perhaps, be something more in what they said, although they may not have been sufficiently aware of the fact. Neutrality, to be neutral, was another expression of their desire not to be mixed up with affairs of the State, with those things which were so remote, sometimes so incomprehensible and so far removed from their sphere of action. Having paid their taxes, they lived almost entirely apart from the State which did not concern itself either with their dreams or their achievements.

That point of view was very right—at that time. Is it possible, is it still reasonable to-day, in the face of an omnipotent and omniscient State, which intervenes in everything and which lays down how we are to act, if not how to think and to feel? Let us frankly ask ourselves, is it possible towards the policy of a State—of which there are already, unfortunately, several examples—which destroys our Organisations, destroys our independence, demands the total submission of body and soul to its will, and to ideals which are not always ours? And, further, let us not forget that such a State often ranges itself on the side of interests, of social classes, which we—by the very nature of things—are fighting against.

It is impossible for us to fight such a State policy by purely political methods because politics form no part of our Co-operative Societies. Even if we did, it would not lead us very far in States where the possibility of political action is reserved for one group only. Eminent writers, long known for their devotion to the cause which we all serve, analyse the possibility and even the necessity for Co-operation to become an integral part of every régime, including the corporate régime, or—which to-day means the same thing—the régimes of dictatorship. They believe that no régime, however anti-democratic it might be, could rid itself of the Co-operative Movement without, at the same time, causing the greatest misery to large masses of the population, which might become the cause of dangerous trouble.

Co-operation can only be organised according to democratic principles. Democracy does not merely signify an equality of

votes in assemblies, it means also a free choice of leaders and the responsibility of the latter towards the members of the organisation.

Mr. A. JOHANSSON (Sweden): What does Neutrality imply? In my opinion it implies that we are prepared to collaborate with the Co-operative Organisations in every country. For example, I well remember the occasion when the Russians were admitted to membership. They were not admitted as the representatives of the political system of Soviet Russia, but as co-operators, the representatives of "Centrosoyus," and our relations with other authoritarian States should be interpreted in the same way. The question is not, as Mr. Lustig seems to assume, to admit the National Socialists of Germany or the Fascists of Italy as members of the I.C.A., but the Co-operative Organisations of these countries. And perhaps just because co-operative contact and co-operative ideals are needed in these autocratically governed States, efforts should be made to bring them again into our midst. I think I am right in saying that our Russian friends have already improved, and I would put this down to the fact that they have worked together with us. They have come here with us in Great Britain, a democratic and probably the most tolerant of all countries in the world. Mrs. Butuzova, whom I have met at previous Congresses, said that the Co-operative Movement in all capitalist countries of the world is in difficulties. This is not true. One has only to read our publications and it will be seen that our Co-operative Organisations in Sweden are making great progress. In countries where there is absolute freedom and where the Co-operative Movement is based on the Rochdale Principles, Co-operation is making progress.

The PRESIDENT. We will now proceed to the discussion on the other sections of the Report.

Membership.

This section was passed without comment.

The Committees of the International Co-operative Alliance.

Mr. V. SERWY (Belgium). On this section of the Report, and particularly that portion dealing with Co-operative Banking, I wish to make a declaration on behalf of the Belgian delegation.

During the financial year which has just ended we have been obliged to bring to the notice of the Central Committee the financial position of the Belgian Co-operative Movement. As a matter of fact, it is not the French Co-operative Movement alone which has suffered through the financial events of the past few months; the Belgian Co-operative Movement has also suffered. The savings of the Co-operative Societies had been entrusted to the Belgian Labour Bank which is not a corporate institution; neither is it affiliated

to the Socialist Party nor to the Co-operative Movement, but was established with the consent and the aid of the Trade Unions and of the Co-operative Societies. It was also concerned in a number of important industrial enterprises and a few months ago it went into liquidation. The causes of this were that the financial resources of the Bank were based on the savings of the workers, which are very fluctuating and uncertain, and, on the other hand, that the crisis had affected the greater number of the industries with which the Bank did business.

The failure of the Bank immediately created great difficulties for the Belgian Co-operative Movement. But what I wish to emphasise is that we have witnessed the encouraging spectacle of all the Co-operative Societies, with enthusiastic unanimity, proclaiming their solidarity one with the other. I would add that we believe to-day that the financial problem with which we are concerned is nearing a solution which will enable the Belgian Co-operative Movement to resume its forward march.

"Out of evil cometh good," says a French proverb, and we believe that this misfortune which has overtaken us has created greater solidarity between all the Societies. So true is this, that we are organising a National Congress, the plans for which have already been submitted to the Societies, with a view to uniting them all in one organisation, the management of which would be entrusted to a National Committee elected by the Co-operative Movement as a whole.

You will realise, therefore, that the Belgian Movement is again moving forward. The misfortune which has stricken it will have been a lesson to it from which it will have profited by organising itself under much better conditions.

The Rules of the I.C.A.

The Finances of the I.C.A.

These two sections were passed without comment.

Publications.

Mr. R. A. PALMER (Great Britain): I should like to draw the attention of the Congress, and especially that of the British delegation, to the publications of the International Co-operative Alliance, in particular to the "Review of International Co-operation," the monthly organ of the Alliance, which is by no means supported by the British Movement as it deserves. I want to make an appeal to the British Movement that it should give that additional support to the "Review" which is necessary for two reasons: first, the minor reason, that the circulation is infinitesimal when compared with the 7,000,000 membership of the British Co-operative Movement, and as a consequence there is, year by year, a loss incurred on the publication of that journal,

which is, of course, by no means satisfactory, but the second, and more important reason, why I appeal for support for the publications of the Alliance in general and of the "Review of International Co-operation" in particular is that if we desire to advance the work of International Co-operation we can only do so with hope of success if our efforts are founded on knowledge. If we desire to be informed of the work of the National Co-operative Organisations throughout the world we can only do that effectively by reading regularly the "Review of International Co-operation."

It is, of course, true that the "Co-operative News," week by week, has an international section which very admirably presents many of the phases of national and international co-operative work, but in the "Review of International Co-operation," you do get, month by month, most valuable information as to the developments that are taking place in the various countries affiliated to the Alliance. We know that, although the British Movement is the Mother of Co-operation, many of her children are now able to show their Mother how things should be done, and we readily recognise that we can learn much from the National Co-operative Organisations overseas in regard to the development of co-operative effort. It is in the interests of British Co-operation, as well as of International Co-operation, that British co-operators should acquaint themselves with the developments that are taking place co-operatively in all parts of the world, and in order that they may do that I wish to ask that they shall go back to their Societies and insist that at least every member of a Management Committee of a Co-operative Society in Great Britain should regularly be supplied with the "Review of International Co-operation." When that is done I am sure they will realise the desirability and the necessity, indeed, of seeing that the general membership of our Movement is similarly supplied with that journal.

Statistics.

Joint Action of the I.C.A. and I.C.W.S.

Economic Research.

These three sections were passed without comment.

Peace and Disarmament.

Mr. A. GUREVICH (U.S.S.R.): As we understand there is to be a special discussion with regard to Disarmament and Peace after Mr. Henderson's speech, we reserve our right to come back to the question of the activities of the Alliance in regard to peace in that discussion; also to take part in the discussion on Mr. Johansson's Report on economic activities. Therefore we also reserve our right to come back to the question of the activities of the Alliance in regard to economic work when we come to the discussion of Mr. Johansson's Report.

The World Economic Crisis.

Postponement of the 14th Congress of the I.C.A.

The Basle Conference.

These three sections were passed without comment.

The German Co-operative Movement and the I.C.A.

Mrs. O. V. PILATSKAYA (U.S.S.R.): Although the Central Committee of the Alliance has given a good deal of attention to the advent of fascism in Germany and Austria, it has not really perceived the true significance of recent events in those countries. In Germany and Austria we have witnessed the plundering of the Workers' Co-operative Movements by the fascist forces, who have used the resources of these Movements for their own ends. The leaders of the Hamburg Co-operative Movement, which was affiliated to the Alliance, had prepared their plans for handing over, without a fight, their Movement to the fascists, long before Hitler came to power. The leaders of the Alliance have done nothing to mobilise international opinion in defence of the Co-operative Movement in Germany and Austria; in defence of the workers' resources, which have been sunk in co-operative enterprises; in defence of the thousands of worker-co-operators who are suffering in fascist gaols. Fascism is not confined within the frontiers of Germany and Austria. The events in France of February, the events in Belgium and Czechoslovakia, point to the growth of fascist activities in all capitalist countries. Let the Co-operators here meditate on the fate of Dr. Renner and Mrs. Freundlich. Capitalism can no longer govern by old parliamentary, democratic methods. That is why, in its internal policy, capitalism is compelled to apply terrorist methods. Capitalism is unable to find a way out of the present situation by peaceful policy; that is why it is forced to use the policy of war. Hitler handed the German Co-operative Movement over to the control of the wealthy merchant Grahl, who all his life has been a bitter opponent of the Workers' Co-operative Movement, and to Schloesser, the old enemy of the International Co-operative Alliance. We shall not build a vigorous and healthy Co-operative Commonwealth by trying to speak the same language as the so-called corporate (fascist) states, but by mobilising the masses in their fight against fascism and its methods of suppression. The Co-operative Movement can only honestly serve the workers of the world by helping to fight against fascism and capitalist reaction. We suggest that the Alliance, and all its affiliated National Movements, should get into touch with all the working-class organisations and assist them in their struggle against suppression and further impoverishment. Those who want to stand in defence of the elementary rights of the workers and consumers, those who are on the side of the Co-operatives against fascism, should not resist our appeal.

**International Co-operative Day.
The International Co-operative School.
International Conferences on Education.
International Co-operative Press Conferences.
Missionary Propaganda.**

These five sections were passed without comment.

Inter-Co-operative Relations of Agricultural and Consumers' Organisations.

Mr. J. EFTER (Palestine): On behalf of the Palestine delegation I would like to emphasise the importance of the question of the Inter-Co-operative Relations of Agricultural and Consumers' Co-operative Societies. The purpose of the Co-operative Movement is not only to supply commodities at good prices. Our aim is to reorganise all the aspects of our life for a new and better life. If we find that the capitalist form of life is not to the benefit of the working population, and not to the benefit of the middle-class men, then we must endeavour to substitute for it a co-operative system in every department of life, and the first step should be co-operation between producers and consumers. In Palestine we find Co-operative Settlements; Co-operative Urban Housing; Co-operative Schools; Co-operative Financial Organisations; and Co-operative Transport. In every department of life we have our Co-operative Institutions. The duty of the Co-operative Movement is not to be satisfied with the present position in the various countries, but to find a way for greater co-operation between the various National Co-operative Institutions and between various countries.

Coupon Trading.

Night Work in Bakeries.

The Principles of the Rochdale Pioneers.

Rochdale Memorial of the Pioneers.

These four sections were passed without comment.

The PRESIDENT: I propose to adjourn the discussion of the Report at this point, and to resume to-morrow morning.

Agreed..

CLOSE OF THE SECOND SESSION.

THIRD SESSION

Wednesday, 5th September.

REPORT OF THE CENTRAL COMMITTEE

(continued.)

The PRESIDENT: We will now resume the discussion on the Report of the Central Committee, commencing with the question of International Co-operative Economic Policy.

International Co-operative Economic Policy.

Mr. M. D. WUHL (U.S.S.R.): The Committee formed by the Alliance for working out its Economic Programme was unable to present any complete proposal to the Congress. Its work was limited to giving a list of the questions which required to be discussed.

The economic policy of the Alliance found its expression in the memorandum presented to the International Economic Conference. It is well known that the work of the International Economic Conference was fruitless. The International Co-operative Alliance did not go beyond the limits of capitalist relations in working out its programme, and is in the position of standing firmly on the basis of maintaining and strengthening those relations which give rise to crises, unemployment, the instability of economic life, the impoverishment of the masses of the people, the rise of prices.

The real masters of the capitalist world can see, and are preparing, a way out of the crisis through the increased exploitation of the working class and the toiling peasants, and through preparations for war under fascist dictatorship. The news has just been published that the fascists in Germany have dismissed workers under twenty-five years of age from industry, and have sent them to the labour camps, using them as cheap labour for the junker estates. It is clear that such an attack on the economic position of the German workers has for its object the imitation of Japan in a super-dumping policy. There is no doubt that this means the further growth of unemployment and increased suffering and poverty among the mass of the workers. It appears that Mr. Johansson and several others do not want to understand what is going on when they announce collaboration between the Workers' Co-operatives and the fascist governments.

While capitalism sees a way out of contradictions and crises in war, and the increased exploitation of the toilers, the economic programme of the Soviet Union, which has destroyed private

ownership of land and the means of production, is giving to the entire world examples of the gigantic developments of productive forces, and the rapid rise in the material and cultural level of the broad masses of toilers.

The International Co-operative Alliance introduced to the World Economic Conference a proposal to establish a single gold currency for the whole world ; to increase prices of commodities ; and to reduce production under the pretence of removing the " world inequality " between production and consumption.

Millions of workers and toiling peasants, members of Co-operative Societies, do not demand gold currency, nor higher prices, nor reduced production. They demand the defence of their conditions of life and their political rights. They demand active support from the Co-operative societies during unemployment, strikes and political persecution. They demand a campaign for the further reduction of prices of widely-used products, a struggle against monopolies and speculation, against increased tariffs and the quota import system.

The Consumers' Co-operative Movement, when working out its programme, must base itself on the principles of international workers' solidarity. It must by all possible means support the development of the united front of struggle of the working class.

We therefore propose that the following principles should be placed at the basis of the economic programme of the Alliance :—

1. The wide mobilisation of Co-operators for a struggle against all forms of the economic plunder of the workers (increased taxation of the working class ; artificial maintenance of retail prices at a high level ; raising of tariffs, etc.).
2. A struggle against inflation and the devaluation of currency which, to a tremendous degree, reduces the real wages of the workers and leads to the expropriation of the workers' savings.
3. A campaign for the abolition of the new taxation on Consumers' Co-operative Societies.
4. Material and moral support for the unemployed and strikers.
5. Active support for the struggle of the toiling peasants against impoverishment and exploitation, against the burden of taxation, for cheaper fertilisers and seeds, for the annulment of bank debts and mortgages, and the reduction of rents.
6. The mobilisation of Co-operators for the combined struggle of the Co-operative Movement, together with all the other mass organisations of the workers, against fascism, against armaments and war preparations, and for the destruction of capitalism.

Mr. E. I. VARIASH (U.S.S.R.) : I Support the motion of Mr. Wuhl.

Appointment of Tellers.

The PRESIDENT : As we now have to take a vote, it is necessary to appoint Tellers. I will ask Mr. May to announce the names of the Tellers.

The GENERAL SECRETARY : The names of the Tellers which we submit for the approval of Congress, all of whom have accepted, are : Mr. W. P. Watkins, of the I.C.A. Secretariat, as the principal Teller ; then eight Tellers as follows : Mr. V. Hajny, Czechoslovakia ; Mr. O. Toivonen, Finland ; Mr. Gaston Prache, France ; Mr. W. Millerchip and Mr. A. R. Davies, Great Britain ; Mr. M. Rapacki, Poland ; Mr. H. Elldin, Sweden ; Mr. J. Dubach, Switzerland.

No objections being offered, the President declared these delegates **Elected** as the Tellers for the Congress.

* * * * *

The PRESIDENT : The General Secretary will explain Mr. Wuhl's amendment.

The GENERAL SECRETARY : The proposition submitted by the Russian delegation is being taken in the only form in which it can come within the regulations, and that is as an amendment to the proposals of the Central Committee on page 68 of the Agenda, entitled " Economic Programme." That Economic Programme is the result of the work of a Special Committee, and is merely an outline and in skeleton form. As an amendment to that proposal the Soviet delegation propose that the six points already enumerated by Mr. Wuhl should be placed at the basis of the Economic Programme of the Alliance.

On being put to the vote the amendment was declared **Lost** by all votes except 28.

The PRESIDENT : I will now put to the vote the proposals of the Central Committee on the Economic Programme.

The proposals of the Central Committee were **Adopted** by an overwhelming majority.

OBITUARY.

The PRESIDENT : The harvest of death has been a singularly heavy one among leading Co-operators during the years that have passed since our Congress last met at Vienna. The French Co-operative Movement, in particular, has suffered very heavy losses. Among those who have left us is our first President of the International Co-operative Alliance, to whom the Alliance is so deeply indebted for the great work that he did for it in its earliest days. I ask the delegates present to rise from their seats and pay homage to the memory of our dead comrades by observing silence for a moment or two.

The delegates rose and stood in silent homage to their departed colleagues.

THE FUTURE ORIENTATION OF THE I.C.A.

The GENERAL SECRETARY : We have been looking forward for a long time, for many months, to this Congress in London, not merely to mark another milestone in the progress of our International Co-operative Alliance but in order that we might come face to face with some of the real difficulties which beset the Co-operative Movement in every land at the present hour, and have done so for many months and, indeed, a few years past. When we come to the end of our discussion on the Report, into the last four pages of which—quite briefly, inadequately if you like, but certainly objectively—we have tried to present the outline of the problems which we have to face, I am discouraged and dismayed when the President is able, if he will, to pass on to the next page without a word of comment, without a word of suggestion as to the great and momentous crises in which the Movement finds itself at the present time, and what should be its way out. I do appeal to this Congress this morning, before passing on to the consideration of other questions, to give a few moments' thought to this, and even if it leads to the expression, as I think it must do, of entirely diverse opinions and thoughts concerning the crises themselves and, still more, the future of the Alliance, it must be of benefit, and it must at least do honour to our integrity and to our sincerity in seeking those ideals and those purposes which lie at the base, as they are at the same time the summit, of our hopes and aspirations.

We have called this section of the Report the "Future Orientation of the Alliance." We have placed it at the end of the Report because the previous survey, if it is studied carefully and understood, reveals how the conflicting and diverse tides and winds of the past five years have affected our Movement. You may say that the International Co-operative Alliance is not everything, that in the last resort you can do without it, and we are not without indication that the thoughts of some tend in that direction ; but at least we can say that until now, and at the present hour, it is the only Organisation, the only organic link, that holds together the Co-operative Movements of the world, however slight may be their attachment and however easily they may be broken. The real question before you to-day, in my opinion, is, do you wish that Organisation to go on, to be strengthened and built up as the basis—it is a trite phrase, but it is a true one, after all, in essence—of a new Commonwealth, as the groundwork of a higher civilisation than the world knows to-day, or do you wish to let it disappear into that miasma of nationalism, political and economic, which has seized the world like a midsummer madness, and threatens to destroy all that is best not only in democracy but even in civilisation itself ?

That is the problem that is before this Congress; and I ask you, before you turn another page of this Agenda, to pause, consider where

we are going, consider where we should go and how we should go, and decide whether you want the manhood and the womanhood of Co-operation built up in all its strength and beauty as you have conceived it and contemplated it for generations past, or whether you wish it to be dispersed amongst the crowd of the ravens and the vultures of the world to-day, left to its own resources, to find its way out on the basis of every man for himself and the devil take the hindmost.

In these pages we have tried to indicate some of the main features of the changing, social order in which we are placed. We have pointed out that those changes in the social order are broadly speaking of two characters : political and economic. The economic changes that are taking place to-day are the result not merely of war conditions—they go back farther than that—but of a tendency in the world towards not merely mass production, mass control and mass organisation, but leading to the control of economic affairs by the municipality and by the state—Those changes were evident long before the war in their beginnings ; they have developed very rapidly during the last ten years, but the changes, so far as they are taking place in the existing economic order, are always on the basis of individualism and not of co-operation, and tend to entrench and to reinforce capitalism, perhaps here and there on a little broader basis, perhaps here and there with a touch of relief to this or that section of the community, but essentially and fundamentally they remain the same thing. They do not, in this generation, lead us very much nearer to any sort either of democratic or community ideas such as those which lie at the basis of our Co-operative Movement. It may be said that eventually they will do so. To that I would reply that there are co-operative representatives here to-day who are also Socialists of an advanced political order, who say that the Co-operative Movement is too slow in its progress towards the ideal and towards the realisation of a co-operative republic, but if that is true then these modifications in the capitalist system to-day that go by the name of the corporate state, of fascism, of hitlerism in any of its forms, are ten times, nay a hundred times, slower ; and because of the little amelioration that they offer to-day make progress impossible not only for themselves, but also for Voluntary Co-operation and the system for which this Movement stands.

That is broadly the position as I see it, but this changing economic order—which some may say is not altogether to the disadvantage if it is only organised by the State and by the municipality—has still within it a place for our Voluntary Movement, for the Movement that has been built up during the past ninety years, and is to-day the greatest and most wonderful monument to associated effort that the world has ever seen ; and our job, the job that is contemplated and indicated here, is to find what that place is.

So this morning I beg you, before you pass on to any other considerations, to give some thought to the problem before us. The political problem is of another order altogether. More than once, during this Congress, expression has been given to the opinion which I have persistently put forward in the pages of our "Review," and in other communications to the members of the Alliance, that these political changes are temporary and transient, and though to-day we have to regret the loss of the German Co-operative Movement from our midst, we have the hope that on an early to-morrow or in a not distant future they will come back into our ranks. There are other cases that I need not mention individually that are known to you, in which we are holding on to the links that remain. Some have been broken or lacerated, and we are doing our utmost to retain them in the confidence that the changing political order will enable us to restore them to their full status. In the examination of these pages, and the consideration of those conflicts and difficulties which are around us, we have to bear in mind the necessity of keeping our eyes fixed upon the economic goal and the social aims of our International Co-operative Movement. It is our ambition that the Co-operative Movements of the whole world should be included in our International Organisation, and if we are true to our ideals and our principles it must necessarily be our ambition that all the consumers, and, eventually, all the producers, shall have free entry and free opportunity within our Societies, and that can only be realised by strict adherence to the economic purposes of co-operation.

I ask you, then, as is contemplated in the last paragraph of the report, "Should we not seek to formulate our policy on such lines as would at once preserve intact the economic and constitutional basis of Co-operation, as set out in the Principles of Rochdale, and define its relation to the changing world conditions with the object of maintaining the integral organisation of our International Co-operative Alliance?"

It is for this purpose that this Report has been prepared, nay, this Congress has been organised, and I beg you not to neglect this great task, which is our highest responsibility.

Mr. Dov Hos (Palestine): We must be very thankful to Mr. May, our General Secretary, for having emphasised the importance of the discussion on the subject of the future orientation of the I.C.A. Recent years have proved beyond any doubt to those of us who did not realise the important position that the International Co-operative Movement may take in the development of world affairs, that the International Co-operative Movement, if strongly organised, may form a force which will be able to intervene and decide on a good many occasions the future development of the

world. I want to limit myself first of all to the following suggestion. I believe that the Co-operative Movement can succeed, and will succeed, only if we all realise the absolutely vital necessity of the close and permanent contact between the Co-operative Movement, the Trade Union Movement and the Socialist Movement. We consider the Co-operative Movement as the economic instrument of the working classes, which should work side by side with the political instrument of the workers and side by side with the industrial instrument of the trade unions. Only then can the Co-operative Movement and each of the other movements achieve a goal which is common to them all. Therefore we say this close contact of these three elements is a vital necessity.

I will not speak on matters on which there will be certainly no difference of opinion, questions of international peace and so on, but may I say one thing which is peculiar to my country. We are at the gates of the East; we have succeeded in establishing in Palestine a strongly-developed Co-operative Movement, and I think that it is the duty of the International Co-operative Movement to pay more attention to the development of Co-operative Institutions in that part of the world, where there are millions and millions of people who have not the slightest idea what Co-operation stands for, and where we, the Co-operative Institutions of Palestine, may have to perform a great deal, I would not say of missionary but, of pioneer work in order to be able to establish Co-operative Organisations which will be of enormous importance in the development of the Co-operative Movement throughout the world.

Mr. E. POISSON (France): On the question of the future orientation of the International Co-operative Alliance in the midst of the difficulties through which the world is passing, Mr. May is astonished that no opinions, even different opinions, have been expressed. My reply, fundamentally, will be that of the Central Committee, which has received suggestions from practically all sides, but which, like the Executive, has confined itself to an enunciation of principles. The report has the great merit of asking questions: it does not answer them because it cannot.

What is, therefore, the principal question for the future? It is this. At the present time there are in the world economic systems which are becoming, more and more, not only directed towards, but closely connected with, political systems, sometimes different, but all animated with the same economic idea.

Whether you go—and our Russian friends will excuse what I am going to say—from Soviet Russia to Roosevelt in the United States, from Italian Fascism to Hitlerism (which is only Fascism under another name), or to intermediate systems which are to be found in Europe, in Poland and elsewhere, everywhere the important problem presents itself: new economic systems are being constituted

within which liberalism disappears, either totally or partially : to what extent, in those countries, can free and voluntary Co-operative Organisations exist ? How can these Organisations, continuing to function in the midst of State-governed systems, be maintained within the Alliance in conformity with the Rochdale Principles while, for good or ill, in obedience to the laws of their country, they must adapt themselves to the new economic system of the State ?

That is the problem. You cannot solve it to-day. Therefore, be wise ; wait for the solution to be found. The problem concerns the German and Italian Co-operative Organisations, as well as the Russian Co-operative Organisations. It is the problem which would arise to-morrow should you take up too strict a position with regard to the associations which do not enjoy complete internal liberty. It follows, therefore, that it is wise for the International Co-operative Alliance to wait upon events, to examine them, and not to be rebellious towards certain changes. It is not enough to say that, to the extent that a political régime establishes itself in a country, the Co-operative Societies will function everywhere under a different form, under a veiled form : they will none the less be Co-operative Societies.

In these circumstances are you going to reduce the Alliance to a group of pure crystals and leave outside the Co-operative Movements which, as in Russia and Italy, have adapted themselves to the new régime ? That is the problem, and, I repeat, you cannot solve it to-day. Another problem arises at the same time. Does the International Co-operative Alliance wish to be nothing more than a mere academic institution, meeting from time to time in Congress, interesting from the point of view of the friendships which are then made, but which merely provides a platform for men from every country to manifest their fraternity ? Shall it not, on the contrary, be an active institution with principles and traditions ?

If it is an academic institution it can include everyone ; if it is an organisation for action it may damage itself in preserving, what is very precious, its unity. A choice must, therefore, be made between the two policies. It is difficult to make of the Alliance a simple academy. For ourselves, French co-operators, in conformity with our traditions and with the thought of those who have led us, from Gide to Thomas, we remain faithful to an International Co-operative Alliance which, with perhaps some adaptations, can be a magnificent instrument of action. That does not mean that we must abjure the essential principle of what the representative of Palestine called "neutrality," and which he condemned rather casually. We French co-operators never speak of "neutrality" without misleading ourselves as to its

meaning. The essence of French Co-operation is not neutrality, which is impossible, but independence with regard to all political parties, all religious beliefs, all social classes—independence, which alone, outside of parties and philosophical or religious beliefs, can enable the International Co-operative Alliance to live.

Every nation, every Co-operative Movement, has its *raison d'être* both historic and traditional; it is the economic circle of France, of Belgium, of Great Britain, and of Switzerland, which has created the traditions of these countries, which has made each Co-operative Movement a separate type, and the Alliance is the great family which unites all these various types with parental oversight. You cannot mould them all to one pattern. The very diversity of the Co-operative Movements is the *raison d'être* of the International Co-operative Alliance, which can only exist upon the independence of all the National Movements, and if it preserves its own independence with regard to all other ideas, political or philosophical.

The PRESIDENT: The discussion on the Report of the Central Committee is now closed, and I will put the Report as a whole to the vote.

The Report of the Central Committee on the Work of the Alliance since the Vienna Congress was **Adopted** without opposition but with 8 abstentions.

ELECTION OF THE CENTRAL COMMITTEE.

The PRESIDENT: We shall now take the Election of the Central Committee. I will ask the General Secretary to make a statement on the nominations.

The GENERAL SECRETARY: I think every delegate has been supplied with a copy of the printed list of nominations. No National Organisation has nominated more candidates than there are places to be filled. Therefore, the list as it stands is for your formal adoption in accordance with the Rules.

I would explain the omissions as follows: Canada, on account of distance and expense, is unable to appoint a representative. Iceland has renounced the opportunity of sending a representative to the Central Committee on similar grounds. Korea is the latest admitted member of the Alliance and has not yet had full opportunity to take advantage of the Rule. The nominations of the Roumanian and the Yugoslavian representatives will, I am sure, be received in due course, and under the Rules it is within the power of the Central Committee to accept them after the Congress. I would ask you, in adopting this list, to give also authority to the Central Committee to continue to deal with new appointments and substitutes.

The PRESIDENT then put the list to the vote and declared the whole of the nominees unanimously Elected :—

AUSTRIA.....	A. Korp, Dr. A. Vukowitsch.
BELGIUM	Victor Serwy.
BULGARIA.....	C. Ganeff.
CANADA	
CZECHO-SLOVAKIA.....	A. Dietl, E. Lustig, F. Modracek.
DENMARK	I. Th. Arnfred, L. Broberg, A. A. Drejer.
ESTONIA.....	R. Paabo.
FINLAND.....	Vainö Tanner, P. Raittinen, E. Stavenhagen
FRANCE	E. Poisson, A. J. Cleuet, M. Camin, Dr. G. Fauquet, G. Lebon, P. Ramadier.
GREAT BRITAIN	R. A. Palmer, Sir Fred Hayward, Mrs. E. M. Bain, J. J. Worley, J. Downie, A. H. Jones, W. Bradshaw, R. Fleming, G. A. Ramsay, Neil S. Beaton.
HOLLAND.....	M. van der Horst.
HUNGARY	Dr. E. de Balogh, Dr. E. Kuncz.
ICELAND	
INDIA.....	V. Ramadas Pantulu.
JAPAN	K. Sengoku.
KOREA	
LITHUANIA	Prof. P. Salcius.
NORWAY.....	A. Juell.
PALESTINE.....	A. Sabarsky.
POLAND	M. Rapacki, M. Chrystowski.
ROUMANIA.....	
SPAIN.....	J. Ventosa Roig.
SWEDEN.....	A. Johansson, A. Gjöres, A. Hedberg.
SWITZERLAND	Dr. B. Jaeggi, Dr. A. Suter.
UNITED STATES	Dr. J. P. Warbasse.
YUGOSLAVIA	
U.S.S.R.	I. A. Zelensky, M. D. Wuhl, —. Amiragov, A. G. Badiiev, —. Baskin, Mrs. Chernobylskaya, —. Egorow, —. Epstein, —. Kuzmenko, —. Mertchan, —. Mirzabekian, —. Smeliansky, —. Tursin Khadja, E. Variash.

ELECTION OF RESOLUTIONS COMMITTEE.

The PRESIDENT: We will now elect the members of the Resolutions Committee. The General Secretary will give you the names of the nominees.

The GENERAL SECRETARY: The Resolutions Committee is constituted under Standing Order No. 17. It consists of the Bureau of the Congress and six members appointed from the delegates to the Congress who are not members of the Central Committee. I have, therefore, in conformity with a proposition approved by the Executive, sought the concurrence of six delegates, representing different countries, who are not members of the Central Committee, and whose countries have not already a representative on the Bureau, and now submit the following names: Mr. A. Hansen, Denmark; Mr. K. Pankrac, Czechoslovakia; Mr. J. Guerts, Holland; Mr. H. Stolpe, Sweden; Mrs. O. B. Pilatskaya, U.S.S.R.; Dr. G. de Kéler, Hungary.

The PRESIDENT: Will you agree to the appointment of these delegates to the Resolutions Committee?

Agreed unanimously.

The PRESIDENT: Before we adjourn for luncheon, I want to make an announcement concerning the programme for this afternoon. We shall start with the Report on the Application of the Rochdale Principles, and not Amendments to the Rules. The reason for this is that some of the Amendments to the Rules depend upon the result of our discussion on the Rochdale Principles.

CLOSE OF THE THIRD SESSION.

REPORT
ON THE
Present Application
OF THE
Rochdale Principles
OF
Co-operation
TO
Consumers' Societies

FOURTH SESSION.

Wednesday Afternoon.

THE PRESENT APPLICATION OF THE ROCHDALE PRINCIPLES.

REPORT OF THE SPECIAL COMMITTEE.

The Congress of Vienna, in 1930, requested the Central Committee of the I.C.A. "To appoint a Special Committee to enquire into the conditions under which the Rochdale Principles are applied in various countries and, if necessary, to define them." The Central Committee at Vienna referred the matter to the Executive with the request that they would take the necessary steps to appoint the Special Committee decided upon by the Congress. At the following meeting of the Executive, in December, 1930, it was decided that, following the lines of the Special Committee on Economic Policy, this Committee should consist of the members of the Executive augmented by the addition of members chosen for their representative character in order to widen, as much as possible, the representation.

The following were, therefore, added to the Executive for the purpose of this Special Enquiry:—Dr. A. Suter (Switzerland); Mr. M. Rapacki (Poland); Dr. G. Mladenatz (Roumania); Professor P. Salcius (Lithuania); and Mr. J. Ventosa Roig (Spain).

A place was also reserved for Dr. J. P. Warbasse (U.S.A.) if he were able to participate. At a later meeting of the Executive an invitation was extended to Mr. E. de Balogh (Hungary) to join the Committee, which was accepted.

The enquiry was initiated by the Executive in the preparation of a Questionnaire, which was issued to all the members of the I.C.A. The Special Committee were convened only when the replies were received and collated for consideration. The Special Committee has met seven times—at Strasbourg, Prague, Geneva, Barcelona, Brussels, Vienna and Miramar d'Estérel.

THE QUESTIONNAIRE.

At the outset the General Secretary was charged with the task of preparing a series of questions, based upon the Fundamental Principles of the Rochdale Pioneers and calculated to secure the best information as to the present application of them by the Movements in the different countries.

The draft, which was approved by the Executive at Brussels in April, 1931, grouped the Rochdale Principles under the following

six points :—Voluntary Co-operation and Open Membership ; Democratic Control—One Man, One Vote ; Cash Trading ; Dividend on Purchase—Elimination of Profit on Price ; Limited Interest on Capital ; Political and Religious Neutrality.

In all, the Questionnaire posed 37 separate queries for the purpose of elucidating the different aspects of the main questions, but as they were sent to each member of the Alliance it does not appear necessary to recapitulate them here.

* * * *

Replies were received from 47 Organisations, a total which includes 28 Consumers', or mainly Consumers', Unions ; 5 local Societies ; 10 Agricultural Unions ; 1 local Agricultural Society ; 1 Union of Productive Societies ; and 2 Co-operative Banks.

From eleven Organisations no reply whatever has been received. It must, however, be observed that the numerical and general importance of these Organisations is not sufficient to detract sensibly from the value of the results obtained from the other countries. With regard to three of them in Finland, India and Poland, we have received replies from other National Organisations in those countries, while the replies from "Centrosoyus," Moscow, may be regarded as covering the other five Soviet Republics—Armenia, Azerbaidjan, Georgia, Ukraine and White Russia.

In this way the list of countries from which replies are completely lacking is reduced to Mongolia, Portugal and Tannu-Tuva Republic, in neither of which is there a National Union affiliated to the Alliance, but only individual Societies.

WHAT ARE THE PRINCIPLES OF ROCHDALE ?

By the time the Special Committee held its first meeting at Strasbourg in February, 1932, it had become evident that it would be necessary for the Committee to arrive at some conclusion as to what points of policy or practice could properly be regarded as fundamental to the Rochdale System of Co-operation, if only as a standard by which to judge the importance of the replies that had been received to the Questionnaire. The Committee, therefore, decided that the General Secretary should prepare an objective memorandum based upon :—

- I. THE ORIGINAL RULES AND CONSTITUTION OF THE PIONEERS' SOCIETY.
- II. THEIR RESOLUTIONS AND PRACTICE AS REVEALED IN "THE HISTORY OF THE ROCHDALE PIONEERS," AND ANY OTHER DOCUMENTARY EVIDENCE THAT MIGHT BE FORTHCOMING.

It was further recognised that certain Principles are inherent in the co-operative idea and are inseparable from it.

For the purposes of this study the General Secretary visited Rochdale where, in addition to consulting the officials of the Pioneers' Society and their records, he was able to examine such of the ancient archives as are preserved in the Museum of the Co-operative Union at Toad Lane, and to discuss the question generally with Miss Smithies, the daughter of James Smithies, one of the famous Twenty-Eight!

The memorandum which was presented to the Special Committee at Prague in June, 1932, was therefore based upon—1. The Rules of the Pioneers' Society; 2. The Rochdale Almanac; 3. The Minutes of the Early Days of the Society; and 4. "The History of the Rochdale Pioneers" by George Jacob Holyoake. It may be noted that this latter volume appears to be the most complete account of the early days of the Movement that now exists. As an historian George Jacob Holyoake may not take high place amongst the men of genius who have recorded the world's progress. His experience both as propagandist and journalist rendered his style of writing more picturesque than scientific, but in his story of the Pioneers' Society he has made copious quotations from the rules, minutes and documents at Rochdale which must be accepted as authentic.

Having before them the particulars concerning the present practice of the Movement, and also a fair idea of the basis on which the Principles of Rochdale are founded, the Special Committee proceeded to consider the conclusions and propositions which should be embodied in their Report to the Congress. Deeply sensible of the importance of the task which had been confided to them, which was no less than testing the standards of our economic system in relation to their original value and their utility at the present time, they sought, first of all, to establish what are the Principles of Rochdale. In this part of their task they were greatly assisted by the research into the archives and Rules of the Pioneers' Society of Rochdale which furnish practically the only reliable information on these essential matters. Various writers, at different times, have published dissertations on the Rochdale Pioneers, and have professed to discover quite a number of so-called "Principles" which were essential to our Co-operative System as initiated by the Pioneers, but the Committee have not been able to confirm this extended basis.

On the other hand, certain ulterior objects of the Rochdale Pioneers, set out in their "Law First," can scarcely be regarded as fundamental to the economic basis which Co-operators everywhere accept as the Rochdale System. They are rather to be regarded as echoes or reflections of the philosophy of Robert Owen, with whom the leaders of Rochdale were in close association and from whom they derived the inspiration and ideas of voluntary association.

The Committee also came to the conclusion that there were certain Principles essential to the co-operative idea which were not

specifically set out in the Rules of Rochdale. These are dealt with separately at the end of this Report.

After careful study of the available facts the Special Committee have come to the conclusion that the following seven points represent the essential Principles of Rochdale, for each of which justification can be found in the constitution, rules, and practice of the original Society founded at Rochdale in 1844 :—

- I. OPEN MEMBERSHIP.
- II. DEMOCRATIC CONTROL.
- III. DIVIDEND ON PURCHASE.
- IV. LIMITED INTEREST ON CAPITAL.
- V. POLITICAL AND RELIGIOUS NEUTRALITY.
- VI. CASH TRADING.
- VII. PROMOTION OF EDUCATION.

For the sake of clarity and convenience in discussion, the results of the enquiry into the seven Principles are set out in the following paragraphs, each "Principle" being dealt with separately under the three main heads of the enquiry, viz., (a) Research into the authorities of Rochdale; (b) the Application of the Principles to-day as revealed in the replies to the Questionnaire; (c) the Conclusions of the Special Committee from the point of view of their terms of reference.

I. OPEN MEMBERSHIP.

RESEARCH.

The Rochdale Society of Equitable Pioneers was registered under the Friendly Societies' Acts of 1829 and 1834, the basis of which was the provision of Mutual Benefits. The creation of Friendly Societies, their organisation and control, was provided for in a whole series of legislative enactments adopted between 1790 and the present time. The Societies were formed to provide the members with financial aid or "Benefits," in a word—insurance against sickness, old age, infirmity, and death. The Act of 1834 contained the provision that Societies might be formed for the foregoing purposes "or for any other purpose which is not illegal." The Rochdale Pioneers with native shrewdness and intelligence, sharpened by their conflicts with the régime under which they lived and suffered and by their studies of economic and social solutions, found legal authority and protection for their Society in these Acts. The evolution of the co-operative legislation which followed fully justified their confidence and acumen. The Act of 1846 contained a new and enlarged statement of the purposes for which a Society might be formed including "the frugal investment of the savings of the members for better enabling them to purchase food, firing, clothes or other necessities . . . with or without the assistance of charitable donations." This latter phrase rather suggests that the legislature had not,

up to that point, realised even the elementary possibilities of Co-operative Societies as trading concerns.

By 1852 some glimmering of potentialities of Co-operative Societies, or at least the direction of their evolution, had seized the minds of legislators, and the Industrial and Provident Societies' Act of 1852 was introduced and passed into law. This was the first Act of Parliament which specially provided for the formation of Co-operative Societies, taking them henceforth out of the sphere of Friendly Society legislation, or at least giving them separate legislative authority.

The whole spirit and intention of this legislation is "Open Membership" and where, in later years, certain laws give liberty to a Society to limit the number of its members, it is clearly shown to be an exceptional feature, in some circumstances involving penalties.

The Rules of the Rochdale Pioneers' Society were framed to secure an open door and perfectly free admission to every fit and proper person. It has sometimes been suggested that the necessity of an applicant for membership being proposed and seconded constituted a limitation upon "Open Membership." But such a contention cannot be sustained. The freest democracy under the sun eliminates "undesirables" and prevents their admission. The only test that Co-operation applies to membership is to the character and genuineness of the applicant.

Extracts from the Rules of the Pioneers' Society.

Rule 13 (1844) says: "Any person desirous of becoming a member of this Society shall be proposed and seconded by two members at a meeting of the officers and directors and if approved of by a majority of those present shall be eligible for election at the next weekly meeting, each candidate shall pay the sum of one shilling as entrance money, on being admitted to membership.

Shares may be paid for by instalments of threepence per week, on each share.

Any member neglecting to pay such instalments for three months shall except in case of sickness or want of employment be fined in the sum of sixpence.

Any member neglecting to pay such instalment for the space of six months shall be expelled, his or her share or shares sold, and the remainder, after paying all necessary expenses, returned to such expelled member. No member to have more than fifty shares."

Amendment to Rule 13 sanctioned by Registrar, 7th August, 1845 :

"Each person on the night of his admission shall appear personally in the meeting room and state his willingness to take

out four shares of one pound each, and to pay a deposit of not less than one shilling or three pence per share, and to pay not less than three pence per week after, and to allow all interests and profits that may be due to him to remain in the funds until he shall have four shares in the capital. A member's interests and profits shall be added quarterly to his deposits, and go to the formation of his shares."

Rule 2 (1854) : " Any person desirous of becoming a member of this Society shall be proposed and seconded by two members, and if approved at the next general meeting by a majority then present, shall be admitted to membership. A person being proposed and seconded shall pay one shilling as entrance money, and purchase a copy of the Rules. A person proposed and not admitted to membership shall have his entrance shilling returned."

George Jacob Holyoake says in Part I., Chapter IV., of his " History of the Pioneers " :—

" The earliest rules of the Society, printed in 1844, have, of course, undergone successive amendments, but the germs of all their existing rules were there. Every member was to be formally proposed, his name, trade, and residence made known to everyone concerned, and a general meeting effected his election."

PRESENT APPLICATION.

Of the forty-seven replies received to the original questionnaire, forty-two Organisations affirmed that in the Movements they represent Membership is Open. Of the remainder, three failed to reply directly to the question, while pointing out that they were Agricultural and not Consumers' Societies.

The Committee not being satisfied with these replies, a special Supplementary Questionnaire was issued to members of the Alliance, which resulted in statements from 20 Organisations in 17 countries. From this it would appear that those which did not reply to the second enquiry simply confirmed their original replies. Of the second series, all but two declared definitely that Open Membership in their Movement was the practice and, in some cases, was imposed by the law. None of these admit the limitation of the number of members in a Society, and the few restrictions mentioned are of a professional character, that is to say, the limitation of the membership to a particular trade or profession.

Nevertheless, the attention of the Committee was also drawn to instances in which Societies, by their rules or periodical resolutions of the members, limit the number of the members of the Society. There are also those which fix a high entrance fee or a preliminary

period of membership, any of which conditions detracts from the principle of "Open Membership."

CONCLUSION.

In the aggregate and in relation to the Movement as a whole, the cases in which the principle and practice of "Open Membership" are not fully applied may be regarded as exceptional. It is, nevertheless, necessary that they should be noticed here and an endeavour made to secure their conformity with the Rochdale basis.

II. DEMOCRATIC CONTROL—ONE MAN, ONE VOTE
RESEARCH.

The Principle of "Democratic Control," indeed of a pure democracy, is implicit in the first Rules of the Rochdale Pioneers, as the extracts quoted below will show :—

Rule 2 (1844) : "That the government of this Society shall be vested in a President, Treasurer and Secretary, three trustees and five directors, the President, Secretary, Treasurer and Trustees to be elected at the general meeting held in January, the directors to be elected at the July general meeting any of them being eligible for re-election"

Rule 5 (1844) : "That general meetings of the members shall be holden on the first Monday in the months of January, April, July and October, at eight o'clock p.m. at which meetings the officers of this Society shall make their quarterly financial report, in which report shall be specified the amount of funds, and value of the stock possessed by the Society."

Additional Rule approved by Registrar, 7th August, 1845 :
"That general meetings of the members be holden on the first and third Monday evenings in each month, the business to commence at eight o'clock, the four general quarterly meetings to be included. The business of these meetings to consist in the explanation of the principles, objects, and laws of the Society, to discuss the affairs, and suggest any improvement for the consideration of the officers and board of directors."

Again it may be emphasised that at this early stage of their development no thought of exclusiveness had entered into their conception of the co-operative idea or the direction of their store. A free and open democracy was the simple expression of their desire for "liberty, equality, fraternity," and their natural reaction from the individualistic system against which they were in revolt.

All the first Rules of the Society which deal with general meetings and control of management are framed in this spirit. The year following their adoption, however, the need for explicit expression

in the Rules had been realised and the following new Rule was approved by the Registrar of Friendly Societies in August, 1845 :—

“ Members present at all general, quarterly and annual meetings, to have, each, one vote, and no more, in the decision of all questions, and should the number be equal for any motion, the president, or chairman acting in his place, shall have the casting vote, a majority to govern in all cases, except a motion for the dissolution of the Society for which a special law is enacted.”

Holyoake's "History," Part I, Chapter V : " Every member was equal in right, and was allowed to express his opinions on whatever topic he took an interest in The Board was open to everybody, and, in fact, everybody went everywhere. Distrust dies out where nothing is concealed Every member was a master—he was at once purchaser and proprietor.”

PRESENT APPLICATION.

Forty-six replies have been received. Practically all Organisations of Consumers' Societies—primary, regional, national—observe the Principle of Democratic Control, first, as to equal right of voting irrespective of capital, and, second, as to the election of the Committee of Management, or supervisory authority, by the General Assembly of the members. The variations are few, such as the election of the Administrative Board by a Council directly elected by the members ; election of delegates from defined local areas who appoint the Administrative Board.

/ Some interesting variations in the practice of " One Man, One Vote," are exhibited in the replies, particularly in the constitution of Federations or Unions which necessarily require a modified treatment. In cases where the General Assembly consists of delegates the same condition applies. The democratic principle is maintained by the fact that the member has an inalienable right to a vote in the election of a delegate.

General Meetings of Members.—The practice in this rather important element of Democratic Control varies a good deal in the different countries, as the following summary will show. In twenty-seven countries General Meetings of the members are held only once a year ; in twelve countries, twice a year ; in two countries, thrice a year ; in three countries, quarterly.

CONCLUSIONS.

In the development of this enquiry it has become increasingly evident that the Committee were embarked upon a quest much wider and deeper than appeared at first sight. This question of Democratic Control is a case in point. It is clear from the replies received that, so far as Primary Societies of Consumers are concerned,

there is very little deviation from the Rochdale Principle in present-day practice. Immediately, however, that the enquiry is pursued beyond that initial stage, which, after all, represents the sum total of the Rochdale Pioneers' responsibility, we find divergence from the simple method of "One Man, One Vote."

Productive, Credit, Agricultural and other forms of Co-operative Enterprise included in the Alliance have been specially left apart for separate consideration in a second report. But the various Federations of Consumers' Societies, viz., Wholesale Societies, National and Regional Unions, and joint enterprises either of sections of one National Movement or of separate Movements, come within the scope of the present Report. There seems, therefore, to be room for further investigation and examination of the bases on which Democratic Control and Voting Power are assured in these Organisations.

III. DIVIDEND ON PURCHASE.

RESEARCH.

This Fundamental Principle is contained in Rule 22 of the first constitution in 1844—

"That at each quarterly general meeting the officers in their financial statement shall publish the amount of profits realised by the Society during the preceding quarter, which shall be divided thus :—interest at the rate of $3\frac{1}{2}$ per cent. per annum shall be paid upon all shares paid up previous to the quarter's commencement; the remaining profits shall be paid to each member in proportion to the amount of money expended at the store."

George Jacob Holyoake gives an account of its inception in Part I, Chapter IX, of the "History of the Pioneers" :—

"After meeting several times for the purpose of agreeing to laws, Mr. Charles Howarth proposed the plan of dividing profits on purchase—that is, after paying expenses of management, interest on capital invested, at a rate per cent, the remaining profits to be divided quarterly among the members in proportion to their purchases or dealings with the Society."

"The division of profits is made quarterly from the net proceeds of all retail sales in every department after paying—

1. Expenses of management.
2. Interest on loans.
3. Reduction in value of fixed stock.
4. Dividends on subscribed capital.
5. Increase of capital for the extension of business.
6. Two and a half per cent (of the remainder after the above are provided for) applied to educational purposes.

The residue thus accruing is divided among the members of the Store in proportion to the amount of their respective purchases during the quarter."

PRESENT APPLICATION.

Forty Organisations reply that the net surpluses of their Societies are distributed in cash according to purchases of their members; two say that their distribution is made partly in goods; "Centrosoyus," that dividend has been abolished on the demand of the members. In Yugoslavia, the Movement is in the position of being exempt from taxation only if the annual surplus is **not** distributed.

The Amount or Rate of the Dividend appears generally to be governed by local practice and not to conform to any fixed standard. In certain cases restrictions are imposed by the law, usually with reference to exemption from taxation. The highest rate quoted is 15 per cent, but 3 per cent is nearer the average.

Dividend to Members Only is the practice in the large majority of cases, twenty-eight Organisations replying in that sense; six others declare that non-members' purchases are recognised and half-dividend is paid to them.

CONCLUSION.

There appears to be no serious difference of opinion as to this practice and the necessity of maintaining it as the basic Principle of our co-operative economic system, and the pivot on which the non-profit-making organisation of commerce and industry revolves.

The Committee, however, desire to draw attention to the widely varying rates of dividend on purchases which obtain in different countries, and often between different Societies of one country.

It is suggested that the practice of paying either too high a dividend or a regular fixed rate should be avoided. One of the principal aims of co-operative trading is to increase the value of real wages by supplying the wage earner with the necessaries of life at the cheapest possible rates consistent with the maintenance of the business on a sound financial basis and compliance with the general Principles of the Movement. In the practical pursuit of these aims the making of some surplus is inevitable and it is only such surplus that should be available for dividend on purchases. One of the greatest services which Co-operation can render to the community is that of a price fixing standard for the production and distribution of commodities. That valuable purpose is modified to the point of non-existence in the degree in which the practice of high dividends, or fixed dividends, is adopted—rather than conformity to prices based upon a reasonable margin above cost

price for expenses, and taking into account the necessities of competition. In this respect there is a great advantage in uniform methods at least in each country.

IV. LIMITED INTEREST ON CAPITAL.

RESEARCH.

The authority for this Principle rests upon the Rules of the Pioneers' Society which were slightly modified during their early years, but only in so far as would enable the Society to retain the necessary amount of capital for the operations of the Society. In 1844 it was fixed at $3\frac{1}{2}$ per cent, but in 1845 it was raised to 5 per cent in order to attract the savings of the members and provide more capital for extension of the Society's activities.

The position, therefore, appears to be that the Principle of the Pioneers was that Co-operative Societies should pay a strictly limited interest on capital, but that the exact limit was not and could not be a rigid percentage but an elastic amount corresponding to the lowest rate which would be sufficient to obtain the necessary funds for the development of the Society's business.

Extract from the Rules.

Rule 22 (1844) : ". . . . the amount of profits realised by the Society during the preceding quarter shall be divided thus :—Interest at the rate of $3\frac{1}{2}$ per cent. per annum shall be paid upon all shares paid up previous to the quarter's commencement."

Amendment to Rule 22, approved by Registrar, 7th August, 1845. "That the rate of interest be five pounds per cent. per annum, instead of three and a half."

PRESENT APPLICATION.

All Organisations that pay interest on shares—of which the returns show thirty—adhere to the practice of paying interest only at a limited rate. Six Organisations state that they pay no interest on shares. The rate most generally adopted is 5 per cent., but a few go to 7 or 8 per cent. In recent years a number of large Societies have reduced their interest on shares from 5 to $4\frac{1}{8}$ per cent.

CONCLUSION.

Taking a broad view of the field of operations of our Movement, it must be admitted that the practice of the Pioneers in this respect is being followed with fidelity to the Principle that capital should only receive a strictly limited rate of interest.

V. POLITICAL AND RELIGIOUS NEUTRALITY.

RESEARCH.

Neutrality earlier than the Rochdale Pioneers.

With regard to the origin of Neutrality in the Co-operative Movement, the following facts may be of interest as they carry its introduction into Co-operation farther back than the Pioneers' Society. In 1832 the Co-operative Congress held in London adopted the following resolution :—

“Whereas the co-operative world contains persons of all religious sects, and of all political parties, it is unanimously resolved that Co-operators, as such, are not identified with any religious, irreligious, or political tenets whatever ; neither those of Mr. Owen nor of any other individual.”

Neutrality in Politics and Religion is not expressly mentioned in the “First Law” of the Pioneers and it is doubtful whether the Rochdale Weavers thought it necessary to embody in their statutes a statement of principle that would be obvious if it were discussed, and in the absence of the organisation of political parties, such as we know them to-day, would be unnecessary.

The more positive evidence, however, is contained in the “Objects” recited in Section 1 of Law First, which reads :—

“That as soon as practicable, this Society shall proceed to arrange the powers of production, distribution, education, and government, or in other words to establish a self-supporting home colony of united interests, or assist other Societies in establishing such colonies.”

The organisation of society that is here contemplated is based upon community of aims as well as interests. It does not impose complete unity of view about the solution of the problems of Government in the community, but it does impose neutrality on the organisation or that impartiality and tolerance towards differing views which inflicts no hardship or derogation upon an individual on account of his personal opinions.

* * * *

A further interesting historical evidence is contained in a letter from Abraham Howard, President of the Pioneers' Society, 1861. Quoted by Holyoake, Part II., Chapter XII.

“The principles of the Rochdale Co-operators are, 1st, not to enquire into the political or religious opinions of those who

apply for membership into ours or any of the various Co-operative Societies in our town ; 2nd, that the consideration of the various political and religious differences of the members who compose our Societies should prevent us from allowing into our councils or practices anything which might be construed into an advantage to any single one of each sect or opinion."

The letter from which the foregoing extract is quoted was addressed to the Press in response to an attack on the Society charging it with exercising "sectarian influence." The statement of principles which it contained was approved by the Board and the General Meeting of the Members, and was ordered to be entered upon the Minutes by a Special Resolution of the members.

It was further recommended "in the name of the Pioneers and Co-operators of Rochdale that all new Societies stand by the Principles above laid down, and never seek to enquire what politics or what religion the persons applying for membership are, but take all those who are willing to subscribe to the rules."

PRESENT APPLICATION.

None of the subjects included in our Questionnaire on the Rochdale Principles has received fuller attention from the National Organisations than the subject of Neutrality in Politics and Religion. Questions were submitted on six points, and every one has received an answer from each of the forty-five Organisations that have replied. The following is a summary of the replies received :—

- (a) Strict Neutrality in the—
- i. Admission of Members.
 - ii. Election of Committee and Officers.
 - iii. Societies' Activities.

The strict observance of this Principle is claimed by forty-one Organisations, and one does not reply.

"Centrosoyus," Moscow ; Det Kooperative Faellesforbund i Danmark ; state that they are not neutral in politics ; and "Konkordia," Switzerland, indicates that it is not neutral in religion.

(b) Affiliation with any Political Party ?

Thirty-nine Organisations declare that they have no organic relation with any political party. Of the remaining six, Austria, Belgium, Det Kooperative, Denmark, acknowledge close relations with the Socialist or Labour Parties, while the British Union has organised a Political Party of its own. "Centrosoyus" answers

the question in the negative and explains that the Communist Party only accepts individuals. In Yugoslavia the Consumers' Societies are affiliated with the Socialist Party and the Credit Societies with the Christian Socialist Party.

(c) Does the National Movement act independently of all Parties, or avoid attempts to influence legislation ?

The replies on this point follow the lines of those to (b) with much the same grouping. All except two are definitely active in seeking to influence legislation—thirty-nine by their own means and independent of all political party organisation.

CONCLUSIONS.

As pointed out at the beginning of this section, none of the subjects included in our Questionnaire has received greater attention from the members of the Alliance than this question of the Neutrality of the Alliance in Politics and Religion. What is even more remarkable is that not one member of the Alliance questions its validity, and still less its necessity in the activities of an International Organisation. In this, as in so many other matters, the Weavers of Rochdale were far-seeing in an age of social and political upheaval, and their successors to-day make no serious demand that this attitude of tolerance towards its members and potential adherents, as well as its complete independence and liberty in the presence of outside authorities of Governments, political parties, and religious creeds, should be modified.

On the other hand, in view of recent developments in the forms of National Government and the extremely narrow interpretation which in some countries is given to the status of nationality, it seems to the Committee that it is necessary to give an ever wider interpretation to the Principle of Neutrality as applied to the Co-operative Movement, National and International. They, therefore, suggest that in rules and documents setting forth this principle it should be clearly stated that Neutrality applies equally to Politics, Religion, Race and Nationality.

The Committee, however, observe that this provision in the Rules is often misinterpreted by the critics of the Alliance and the advocates of political action as the best means of realising the social transformation which Co-operation aims at achieving by economic changes. It cannot too often be pointed out that the "Neutrality" of the Alliance does not prevent it from taking political action, discussing political questions, supporting political measures, whenever such action, discussion or support, will lead to the advancement or benefit of the co-operative ideal. But that it does prevent the Alliance from identifying itself with any particular political party or programme, or any religious creed. It further

prevents the Alliance from refusing admission to its ranks to any genuine Co-operative Organisation on the ground of its identification with a particular political party, or religious creed.

VI. CASH TRADING.

RESEARCH.

Our examination of this question shows that the Principle of Cash Trading was an integral part of the plan evolved by Charles Howard for "equalising the profits."

William Robertson, an author of repute, was entrusted with the work of writing an account of "Rochdale, the Birthplace of Modern Co-operation," which was published in the Official Handbook of the 24th Congress of the British Union, held at Rochdale in 1892.

Dealing with the preparation of the original Rules, and the fact that it was left to Charles Howarth to work out a plan, he describes how, after much consideration, the discovery was made and revealed to the promoters at the house of James Smithies. "The project was," said Howarth, "cash terms both in buying and selling; that at each quarterly meeting the officers in their financial statement shall publish the amount of profits realised by the Society during the preceding quarter which shall be divided thus: interest at the rate of $3\frac{1}{2}$ per cent per annum shall be paid upon all shares paid up previous to the quarter's commencement, the remaining profits shall be paid to each member in proportion to the amount of money expended at the stores."

ROCHDALE CONGRESS HANDBOOK, 1892. CHAP: IV.

"Our weavers determined that the Society should transact its business on what they denominated the "Ready Money Principle" It was a part of their socialistic education to regard credit as a social evil—as a sign of the anxiety, excitement and fraud of competition. As social reformers they had been taught to believe that it would be better for Society, that commercial transactions would be simpler and honester, if credit were abolished. This was a radical objection to credit."

HOLYOAKE, PART I. CHAP. III.

Extracts from the Rules.

Rule 21 (1844): "That no person shall be allowed to purchase anything on behalf of this Society, except those who are regularly appointed by the officers or members, and the officers of this Society shall not in any case, nor on any pretence, purchase any articles except for ready money, neither shall they be allowed to sell any article or articles except for ready money.

Any officer acting contrary to this law shall be fined in the sum of ten shillings, and be disqualified from performing the duties of such office."

Rule 26 (1844) : "That all purchases be paid for on delivery."

PRESENT APPLICATION.

The replies given by forty-five Organisations to the questions posed under the heading of "Cash Trading" are far from satisfactory and, in many instances, are vague and even irrelevant. In some instances the Organisations do not appear to have clearly seized the import of the supplementary questions. We, therefore, only give the replies to 3 out of 8 sub-headings of the Questionnaire on this subject, viz.

Sales to Members : Twenty-one Organisations declare that the Principle of "Cash Trading" is laid down in their rules, while an equal number state that their rules impose no obligation in this matter.

Societies' Purchases : Nine Organisations say that the purchases of their Societies are made for cash.

Proportion of Credit Trade : A return of the proportion of the credit trade of these Organisations seems very difficult to obtain. About twenty of them give figures or estimates of the position which it is difficult to summarise. They show variations between 5 and 90 per cent of credit trading. Of the twenty Organisations replying to the question as to the amount or percentage of credit trading in their present operations, eleven admit more than 10 per cent.

The same remark applies to the existing Credit Institutions. Thirty replies are definitely in the negative, and of the remainder some are Agricultural Credit and only one (Credit Unions, U.S.A.) clearly of the type of Credit Institution designed to help the daily needs of consumers. No National Organisation has sent in a copy of rules governing credit transactions.

CONCLUSIONS.

The authenticity of Cash Trading as a Rochdale Principle seems to be clearly established in the Rules and Practice of the Pioneers' Society, the evidence of which is set out in the preceding paragraphs.

The Principle of Cash Trading is usually regarded as applying to the transactions of the Society with its members, but the Rules of the Pioneers go further and impose exactly the same obligation upon the Society to pay cash for all its own purchases.

In the original statement of his discovery of the plan for "equalising the profits," i.e., their equal distribution amongst the

members, Charles Howarth appears to have emphasized the cash system of trading as a basis of equal distribution of the results. As a Principle that aspect may be indicated with a certain amount of subtlety, but it has emerged into glaring significance in the operation of methods of credit trading recently adopted by Co-operative Societies in some countries.

The original Rules of the Pioneers are, however, its impregnable basis. No Principle which they evolved is so safeguarded in the provisions for its strict enforcement and the disciplinary treatment of offenders.

The moral advantage to the character and well-being of the members, as well as the financial soundness of the Societies, of adherence to this rule is emphasized by all the authorities to which we have had access. Their arguments and conclusions on all these grounds appear to be unassailable. The Committee are of opinion that in close adherence to the Principle of Cash Trading lies one of the strongest claims of Co-operation to be considered an ideal economic system.

VII. REGULAR ALLOCATIONS TO FUNDS FOR PROMOTING EDUCATION.

RESEARCH.

The "Objects" of the Rochdale Pioneers were set out in the first Rules, or "Law First" as they entitled it. Its concise and comprehensive phrases contain a whole system of economy sufficient for the basis of a new social order. Its famous and much quoted paragraph—"That as soon as practicable this Society shall proceed to arrange the powers of production, distribution, education, and government, or in other words to establish a self-supporting home colony of united interests, or assist other Societies in establishing such colonies"—is clearly an echo of the teaching, experiments and inspiration of Robert Owen, with whom most of the Pioneers had been in close and sympathetic collaboration.

That their practical experience led them to pursue a course which seems to leave their communal ideals stranded, furnishes no argument either against their ideals or the soundness of those portions of the plan which they undoubtedly put into operation with so much success. Whatever may be said about the utopian character of their original plan as a whole, it may well be asked what is the Co-operative Republic and what the aim of our Co-operative System if it does not realise and include the essence of the Rochdale plan as laid down in "Law First."

For our present purpose it is sufficient to note that the promotion of education was in the minds and in the text of the Rules of the Pioneers' Society, even before they had conceived the new economic basis provided by dividend on purchase. In this respect the educational aim of the Pioneers stands on equal authority with

their purpose of undertaking the organisation of "distribution." It has been suggested that as the definite provision for an allocation from the surplus or profits for educational purposes was not included in the original Rules "education" cannot be taken as a Fundamental Principle of Rochdale. The foregoing references to "Law First" refute that argument.

That the Pioneers did from the beginning undertake definite educational work amongst the members, organised in their interest and financed from their funds, is beyond dispute. It is also clear that the kind of education which the Pioneers aimed at and put into practice was not the elementary school curriculum but training in citizenship and in the principles and methods of co-operative development. If in some instances the rudiments of knowledge were taught, it was only to the extent that would render the students receptive of the more specialised instruction which the Pioneers sought to impart.

William Robertson, to whose work we have already referred, makes detailed reference to this phase of their activities in his chapter on the origin of the News Room and Library in the Rochdale Congress Handbook. He says:—

"One of the objects the founders of the Store had in view when they formed their plans was to raise the people to a higher level by educating them, and the Committee recognised that the library was the first step in that direction."

Again: "About the year 1853 it became necessary that the Rules of the Society should be revised in order that they might avail themselves of the privileges of the Industrial and Provident Societies' Act which had just been passed. The Committee, feeling that the necessity of appealing to quarterly meetings for the usual sums of money for the maintenance of the library was an objectionable feature, determined to make an alteration. They asked that 2½ per cent of the business profits should be devoted to the educational department."

This proposal was at once adopted, the Library greatly extended, and the News Room was thrown open, free to all the members, from 8 o'clock in the morning till 9-30 o'clock at night.

Many other details are given of its interesting growth which show that their plan of educational work was as broadly based as the universal plan of social reform which the Rochdale Pioneers desired to attain.

PRESENT APPLICATION.

In many cases the finances of educational work are provided out of the general funds as current expenses, and treated very much in the same way, so far as the accounts are concerned, as publicity and advertising.

This was at first the method of the Rochdale Society, but as we have shown was superseded by the definite allocation of $2\frac{1}{2}$ per cent, included in the Rules. That percentage is still maintained in many Societies in Great Britain, though some limit the amount to $1\frac{1}{2}$ or 2 per cent. On the other hand, a new practice is growing up amongst the more progressive Societies of basing the allocation to education on a rate per member of the Society. This plan yields a greater percentage than $2\frac{1}{2}$ per cent.

The replies received from other countries show that in fourteen countries the allocations vary from 1 to 5 per cent, while twelve National Organisations make no allocation, and six others do not reply.

CONCLUSION.

The conclusion of the Committee is that the promotion of education on the broad lines of citizenship was an essential Principle of the Rochdale Pioneers, but that as our research into their records, as well as the present practice of Societies, show the exact method and percentage of allocation of the necessary funds for this purpose might well vary according to circumstances. The Committee are of opinion that the maintenance of the Principle is essential, and that regular allocations from the "net surplus" of the Societies should provide the means of promoting education in those matters which specially interest Co-operators as aids to the realisation of their ideals.

OTHER BASIC PRINCIPLES OF CO-OPERATION NOT EXPRESSLY INCLUDED IN THE ROCHDALE RULES.

Throughout the course of the enquiry the Committee have been faced with the necessity of limiting the main lines of their Report to those Co-operative Principles expressly set out in the Rules of the Pioneers. Certain other essential conditions of the constitution and practice of Co-operative Societies have inevitably emerged during the discussions, which it is absolutely necessary to include in this Report as representing the Co-operative System, some of them to no less a degree than the seven Principles already dealt with which are enshrined in the Rules and practice of the Rochdale Society.

In this category are the Principles of "Trading Exclusively with Members" and "Voluntary Co-operation," which are dealt with in the following sections.

Two other subjects that have been mentioned, neither of which can be said to be essential to any definition of the Rochdale System, are "Sale at Current or Market Prices" and "The Provision of Inalienable Assets," which are dealt with in Appendices.

**TRADING EXCLUSIVELY WITH MEMBERS.
(NON-MEMBERS' TRADE)**

RESEARCH.

So far as the Rules and practice of the Pioneers are concerned, we cannot find that non-members' trade was prohibited, but it was clearly not provided for in the Rules or in any of the administrative regulations to which we have access. Nor was it contemplated under the legislation which governed the constitution of the Society. It has, therefore, been necessary to deal with this question separately.

PRESENT PRACTICE.

Two questions were included in our Questionnaire with a view to ascertaining in how many countries the practice was prohibited by the rules and excluded, in fact, from their transactions; also to what extent it was practised by those Organisations which recognised it.

Eight National Organisations in five countries state that their rules and practice provide for the exclusion of non-members' trade, while thirty-five Organisations in thirty countries admit the practice to an extent which varies from 0.2 per cent. to 83.7 per cent of the annual business of the Societies. The following summary will give a clearer idea of the position :—

5 Organisations show between 0.2 and 5 per cent.					
1	"	"	5	"	10
5	"	"	10	"	25
7	"	"	25	"	50
7	"	"	50	"	83

In 1929 the Alliance instituted a special enquiry on this subject so that we have an opportunity of comparing the position at an interval of three years. The percentage shown from that enquiry was from 0.2 per cent to 75 per cent. It would appear, therefore, that there has been a slight increase in non-members' transactions during the past few years.

It was argued before the Committee that trade with non-members constituted no hindrance to the application of Co-operative Principles if the profits on non-members' trade were allocated by the rules either to the inalienable reserves of the Society—even in the case of liquidation—or to disinterested enterprises, and that in some countries it was practised as a means of propaganda with a view to hastening the recruiting of new members.

CONCLUSION.

The Committee are of opinion that the Principle of dealing exclusively with members cannot depend upon the constitution of the Rochdale Pioneers' Society but is inherent in the co-operative idea. It is, therefore, necessary that steps should be taken to safeguard it in the Consumers' Organisations affiliated to the I.C.A.

They suggest that the situation revealed by the enquiry is one that cannot be regarded lightly, but rather gives cause for concern for the maintenance of the co-operative basis of our Movement. The essence of our system is that it should not make profit, and its great contribution to economic life is that it furnishes a new basis of commerce and industry—therefore of society—in which the profit-making motive is eliminated. That result can only be realised completely when the trade of the Society is exclusively with its own members.

The question that immediately presents itself in the presence of the widespread practice of trading with the public is—How far is it possible to admit the practice and maintain the genuine co-operative character of the enterprise? The Committee think an arbitrary interpretation of the Co-operative Principle of trading exclusively with members cannot be sustained, and that a limit as narrow as possible should be placed upon the amount of transactions of a Society or Movement with other than members in the ordinary transactions of Consumers' Societies. It is suggested that if Open Membership and the simple facilities for entrance adopted by the Pioneers were universally adopted there would be little ground or cause for trade with non-members, save to meet casual and accidental demands.

VOLUNTARY CO-OPERATION.

The idea of obligatory membership of a Co-operative Society never entered into the conception of the Rochdale Pioneers, neither in planning their Society nor in its subsequent development. The lot of the Weavers was a hard one, and the conditions of their employment, when work was to be had, severe. They suffered from low wages, bad housing conditions, adulteration of food and the system of "truck," which were the evil emanations of the capitalistic economic system. Politically, however, they enjoyed a free citizenship a little in advance of any other country. They were free as air to risk their savings in an Utopian enterprise and to carry with them all their comrades and compatriots. The "voluntary" basis of their Society was, therefore, a *sine qua non*. Any other idea was to them unthinkable. To suggest that any State or other authority should limit their action in a peaceful enterprise of this sort would have been to have put them back amongst the undeveloped races of mankind.

The voluntary entrance of individuals into associated effort in any country can only be restricted by the State itself, and not by any provision which it is in the power of the Association to make for itself and it is, in fact, only in countries where autocratically imposed limitations and restrictions exist that the "voluntary" character of Co-operation or co-operative membership is destroyed.

It appears to be beyond question that in certain countries, the Governments of which are virtual Dictatorships, Co-operative

Organisation has ceased to be voluntary and the Societies no longer conform to the Rochdale plan. There are also certain instances in which Societies are organised to serve the needs of sections of servants or employees of the State. Membership on the part of those eligible is obligatory, and the general public is excluded. It has been pointed out that in some cases no direct pressure is brought to bear upon the individual to join the Society, but it is undeniable that without membership of the Society the individual has little chance of obtaining the necessaries of life. That constitutes the most acute and tyrannical pressure possible.

CONCLUSION.

The Committee feel, therefore, that they have only to stress the need for the complete recognition of this Principle as fundamental to the Co-operative System.

APPENDIX A.

SALE AT CURRENT OR MARKET PRICE.

This question impinges closely upon the Principle of Dividend on Purchase, inasmuch as it affects the genuineness of the surplus and the usefulness of the institution as a price fixing medium. Perhaps, however, its effect upon the purchasing power of the consumer is the aspect which appeals most strongly to the section of the membership which disposes of the least financial resources.

Research amongst the archives of Rochdale for guidance upon this undoubted practice of the Pioneers does not yield much result. It appears evident, however, from contemporary history that the first motive which influenced the Rochdale Co-operators was the all-round convenience of adopting current prices for their business.

It has been stated by more than one continental interpreter of the Rochdale System that the practice of the Co-operative Movement, first adopted by the Rochdale Society, of selling goods to their members at the prices current in the markets or the sphere of their societies' operations, was a Fundamental Principle of Rochdale, and they have even given it pride of place in their list. We cannot find any justification for this view. It was nothing more than a means for meeting the immediate necessities of their business, a temporary expedient which possessed nothing of that "eternal principle of life" which characterises the true fundamentals of the Rochdale System. Sale at current prices provided a margin over the cost of the commodity which would cover the cost of management, depreciation, interest on capital, etc., without involving loss to the Society as the trading unit.

It also blunted the edge of the sharp opposition of private traders which the new system of Co-operation provoked, but inasmuch as one of the main purposes of the "Store" was to cheapen the cost

of living, selling at market price was a double measure of protection to the growing association, to be abandoned for more drastic but equitable price cutting when the Society should reach that stage of stable and efficient organisation which would enable it to give to its members the immediate benefit of their association.

There is no reason to think that the Rochdale Pioneers attached any greater importance to this practice than is indicated above. Neither is there any ground for thinking that they regarded the market price as other than an upward limit, if not an absolute maximum. The practice which obtains in many Societies to-day of charging high prices to produce high dividends on the pretext of thrift is opposed to the spirit of the Pioneers, and is inimical to the interests of the community in general because it results in a general increase in prices instead of acting, as co-operative trading should do, as a salutary check upon the exploitation of the consumer.

CONCLUSION.

It is interesting to note that where co-operative production is highly developed and distribution efficiently organised, the Co-operative Society now decides the "current price" of certain commodities, and compels the private trader to conform to its standards.

In the view of the Committee this is the proper function of Co-operation and, taken in conjunction with what has been said elsewhere in this Report concerning the usefulness of co-operative trading as a price fixing standard, they urge that the Movement in every country should direct its administration to achieve control of the markets.

CONCLUSIONS.

In concluding their Report the Special Committee desire to express their conviction that The Enquiry into the Present Application of the Principles of Rochdale Co-operation, decided upon by the Congress of Vienna, was as timely as it was important, and of supreme interest to the Co-operative Movement. The enquiry has confirmed—what the superficial evidence of general observation and knowledge gained from reports and publications of National Movements has always manifested—that the Consumers' Co-operative Movement of the world is generally, but insufficiently and incompletely, based upon the Principles laid down by the Weavers of Rochdale in the statesmanlike constitution and subsequent practice of the Rochdale Society of Equitable Pioneers in 1844. It was inevitable that within the spheres of forty National Movements, each interpreting standard doctrines according to their mental or racial habitudes, and influenced, to however small an extent, by the legislative and commercial customs of their respective countries, there should develop some variations in the application of even such universally applicable Principles as those

of Rochdale. Taking a broad view of the whole field of Co-operation as revealed in the replies to the Questionnaire, and with the reserve that in a few instances and in some countries rather acute divergences have been revealed, the Committee feel that there is good ground for satisfaction that the basis of our peculiar economic system has been so fully maintained. It would appear that these Principles contain the essential principle of life which is the highest test of their genuineness. To-day the basis of Rochdale exhibits the essential elements of a new economic system capable of replacing, and we believe destined to replace, the evils of the competitive capitalistic system in civilised society.

The Committee would emphasize here, what is elsewhere indicated, that the greatness of the task of examining all the different types of Co-operative Organisation comprised in the membership of the Alliance, and their relation to the Rochdale basis, has led them to the decision to confine this first Report to the position of Consumers' Societies of Distribution, leaving the other groups, viz., Wholesale Societies, Industrial and Agricultural Producers, Credit Societies, Co-operative Banks, etc., for later and separate treatment. They, therefore, suggest a renewal of their mandate in order that these further investigations may be undertaken.

In the various sections of this Report we have set out as briefly as the necessities of clearness and adequate definition demanded (1) the Fundamental Principles of Rochdale; (2) the general idea of their present application; and (3) the conclusions of the Committee as to their validity and permanence. We have endeavoured to exclude matters that appeared to us extraneous to the subject matter of the enquiry, with the result that the Report deals only with the questions of first importance to Co-operation. We have endeavoured to place the ideal basis of society outlined in the "Law First" of the Rochdale Rules, and also its historic framework, in correct perspective as secondary to the main Principles, without which the true co-operative basis cannot be assured.

The Committee, after careful examination of the evidence at their disposal, conclude that the Fundamental Principles of the Rochdale System of Co-operation are seven, and may be set out as follows:—

- I. OPEN MEMBERSHIP.
- II. DEMOCRATIC CONTROL.
- III. DIVIDEND ON PURCHASE.
- IV. LIMITED INTEREST ON CAPITAL.
- V. POLITICAL AND RELIGIOUS NEUTRALITY.
- VI. CASH TRADING.
- VII. PROMOTION OF EDUCATION.

They are further of opinion that there should be some discrimination in the importance to be attached to these seven points in

deciding the essential co-operative character of any Society or Organisation. They suggest that the observance of Co-operative Principles depends on the adoption and practice of the first four of the seven Principles enumerated above, viz.,

- I. OPEN MEMBERSHIP.
- II. DEMOCRATIC CONTROL. (One Man, One Vote)
- III. DIVIDEND ON PURCHASE. (Elimination of Profit)
- IV. LIMITED INTEREST ON CAPITAL.

In the opinion of the Committee the remaining three Principles, viz.,

- V. POLITICAL AND RELIGIOUS NEUTRALITY,
- VI. CASH TRADING,
- VII. PROMOTION OF EDUCATION,

while undoubtedly part of the Rochdale System, may be regarded as essential methods of action and organisation, rather than standards, the non-observance of which would destroy the co-operative character of the Society.

In arriving at the seven foundation Principles, set out above as the true Rochdale basis, the Committee have been guided by the terms of their reference and the necessity of proving the existence of these Principles in the original or early constitution of the Pioneers' Society. For this purpose the first ten years of the life of the new Movement does not seem too long a period to allow for the revelation of its full programme, especially when the conditions and circumstances of its development are taken into account. It is not practicable nor reasonable to expect that a band of workers, however enthusiastic and experienced in the practice of social reform, should evolve at the first attempt a complete constitution or a programme that would include the expression of all their needs and ideals. The Committee have included in supplementary sections the questions of "Trading Exclusively with Members" and "Voluntary Co-operation," both of which are, in their view, vital to the Co-operative System.

Trading exclusively with members. The Committee are of opinion that this Principle cannot depend upon the constitution of the Rochdale Pioneers' Society, but is inherent in the co-operative idea. It is, therefore, necessary that steps should be taken to assure its application in the Consumers' Organisations affiliated to the I.C.A. In the section of the Report dealing with this subject it is suggested that if "Open Membership" and the facilities for entrance provided by the Pioneers were universally adopted, there would be little ground or cause for trade with non-members, except to meet casual, accidental or temporary demands, and trade with public authorities.

The Committee emphasise the necessity, in Societies which permit or practise sales to non-members, of using every possible means to convert such purchasers into members.

Voluntary Co-operation, which is also the subject of a separate statement, seems to require particular emphasis in the present circumstances of world evolution. In the first place a clear distinction must be made between "Voluntary Co-operation" and "Open Membership."

"Open Membership" signifies the open door of the Society's membership which will freely admit all comers without other distinction than that of personal character.

"Voluntary Co-operation" is the autonomous and independent character of the Society itself, in its constitution, operations and government, together with the free entrance or withdrawal of its members. It must be free from any outside interference, and carry out all its functions in complete independence, as did the original Pioneers. The Committee desire to stress the importance of this Principle, and to urge that its maintenance should be secured by every available means.

Indivisible Assets and Allocations to Indivisible Reserves. The enquiry reveals the fact that in certain countries co-operative legislation provides, in case of liquidation, that the collective assets of a Co-operative Society shall not be divisible amongst the members of the Society, but shall be attributed to some other Co-operative Organisation, or, failing that, to some other disinterested organisation of public utility.

The practice of the Rochdale Pioneers, as well as the present day practice in British Societies, which is, in fact, covered by the co-operative laws, is that in case of liquidation the balance of the assets over the liabilities of the Society shall be distributed amongst the members holding shares at the time of the liquidation. This is also the case in other countries.

The Committee are, therefore, unable to lay down any rigid line of action in this matter, but recommend that the whole question, including that of the proposal to make a regular allocation of part of the surplus to inalienable reserves, should be favourably considered by the National Movements with a view to the adaptation of their co-operative legislation to the principle of the indivisibility of collective assets.

Price Policy. Sale at current or market price is dealt with in some detail in a separate Appendix "A," where it is stated that the practice of the Rochdale Pioneers in selling at current or market price was nothing more than a method for meeting the necessities of their trade, which had the advantage of providing a margin over the cost of the commodity to cover costs of management, depreciation, interest on capital, etc., with the possibility of a

surplus which could be divided amongst the members in proportion to their purchases.

In principle, Co-operative Societies should give to their members the best goods at the lowest prices, consistent with a fair remuneration of all the elements of production. In practice, highly developed and efficiently organised Societies are now often able to decide "the current price" of commodities, thus becoming the price fixing medium to which the ordinary trader must conform. These are the proper functions of Co-operation, and the Committee recommend that National Movements should be urged to promote amongst their members the adoption of trading methods calculated to secure those results.

THE COMMITTEE ARE OF OPINION that no modification of the Rochdale Principles is either necessary or desirable. In those instances and countries where a departure from the Rochdale Plan for Consumers' Societies of Distribution has taken place, either on the grounds of helping the poorer citizens or of keeping pace with modern methods of business, the changes have not been justified either on ethical or social grounds. They constitute, in fact, serious departures from the co-operative ideal, whether as it is expressed in the Rules and practice of the Rochdale Pioneers or the programme of any other School of Co-operative Thought which would be regarded as genuine by the International Co-operative Alliance. If it is true, that modern methods of business are inconsistent with the Principles of Co-operation that is only a stronger ground for adhering strictly to the methods of moral and social uplifting that are inherent in Co-operation. It is not the function of Co-operation to follow the methods of competitive private trade, but to point out, and lead in the better way. So soon as Co-operative Societies succumb to the surroundings influences by the abandonment of their high calling, they lose their "raison d'être."

THE COMMITTEE would further point out that recent developments in private trading methods are such as to leave it open to very considerable doubt whether Co-operative Societies that abandon or modify in their practice the Principles of Rochdale are not, in reality, following the tendencies or example of private trade. It is easily demonstrable that modern big business is tending to adopt such Principles of Rochdale as Cash Trading, and to employ distorted and partial methods of Dividend on Purchase. It would, therefore, tend to create an ironical situation if, while private trade was attempting to adopt still more of our co-operative methods, the Movement itself should be showing a disposition to abandon its own impregnable standards.

THE COMMITTEE RECOMMEND the amendment of the Rules of the International Co-operative Alliance so as to include, in either a new Article 2 or in Article 8, the whole of the seven Principles of

Co-operation set out in this Report as a statement of the Co-operative Creed.

FURTHER, that the irreducible basis of "Eligibility" for membership set out in Article 8 should be expanded to include (c) A strictly limited rate of interest upon share capital. This latter modification seems to be a necessary complement of the economic plan of Co-operation.

FINALLY, that Article 8 should conclude with a statement of the moral obligation of all members of the Alliance to follow the whole of these Principles and any other essential methods approved by the Congress.

* * * *

With these recommendations the Special Committee feel that they have completed the first and most important stage of the enquiry and, to that extent, have discharged the mandate entrusted to them. They submit their Report with the confidence that it will secure the general, if not the unanimous, approval of their great constituency.

DISCUSSION ON THE REPORT.

The PRESIDENT: I will first call upon the General Secretary to introduce the Report of the Special Committee on the Application of the Rochdale Principles.

The GENERAL SECRETARY: In introducing the Report of the Special Committee, which was appointed in accordance with the decision of the Vienna Congress to examine this question, which has now become the Report of the Central Committee itself, I will endeavour to explain, with as complete objectivity as possible, the conclusions which are now placed before you, and also, in brief, the reasons and the course that have led up to them.

I would like to emphasise as the first point that not only from the point of view of the countries represented but also from the point of view of the angles of approach concerning the application of the Rochdale Principles, the widest possible representation was given upon the Committee that was appointed to examine those Principles. The Committee has met on seven occasions, and between its meetings the utmost care has been taken to satisfy every objection, every enquiry, and to explore all the resources that were open for information concerning the origin and essential character of the Principles which are claimed for Rochdale, as well as the way in which they are at present applied.

The conclusions of the Committee are before you, and their whole essence lies in the first two lines of the black type: "**The Committee are of opinion that no modification of the Rochdale Principles is either necessary or desirable.**" So much, for the moment, as to their efficacy.

As to their number, they were examined and re-examined, so that if you could for a moment superimpose the different designs one upon another that were submitted to and considered by the Committee, you would certainly be in the presence of a crossword puzzle. I assure you that the Committee have left no stone unturned or avenue unexplored in their attempt to present to this Congress a report which should be not only exact in principle and in outline, but which would have already taken into account as many particular prejudices and difficulties as it was possible to bring into view. The Special Committee have eliminated many theses which have proved untenable in coming to their conclusion that the real basis of the Rochdale system consists of the seven points which are set out in this Report, *en bloc* in the first case, and separated according to their importance in the second. ||

Now as to this discrimination. The Committee had in mind two things: the necessity of not over-emphasizing certain Principles which were undoubtedly characteristic of the Rochdale system and

seemed to them essential to-day and, on the other hand, the fact that the Co-operative Movement from its inception has had two main characteristics, namely, economic and moral. The older members of the British Co-operative Movement here to-day will realise how, a few decades ago, that moral force of the British Co-operative Movement was one of its greatest characteristics and impulses. It remains so in many countries, and particularly in those countries where the Movement is in its youth, where it is struggling for its place in the sun, and where it has not been spoilt by commercial success.

The Committee are of opinion that the economic basis of Co-operation is quite clear. That economic basis is contained in those first four points which are absolutely essential to the recognition of any Organisation—local, national or international—as Co-operative in spirit and purpose. Moreover, the great claim and merit of the Co-operative Movement is that in this changing economic order its basic Principles indeed represent a new economic régime capable of replacing the existing capitalist order. We say that the only existing practical example of planned economy in the interests of the community is the Co-operative Movement.

In addition to this, the Committee conclude that political and religious neutrality; cash trading; and the promotion of education, i.e., the special education, economic and social, of co-operators, form part of that moral and social scheme of regeneration which the Co-operative Societies seek to establish, without being indispensable to their recognition as genuine Co-operative Societies. In any case, the Committee declare here that they form part of the purposes of the Pioneers, part of their practice, part of the tradition that they have passed down to the Co-operative Movement. So far as political and religious neutrality is concerned, it constitutes the only possible basis on which the International Co-operative Movement can be organised.

There is nothing in this Report that places an obligation upon a National Movement or a Society to observe political or religious neutrality as a proof of its co-operative character. It is suggested that it is a moral obligation, because the Committee think it is essential to the realisation of our purposes. A moral obligation is something that the Committee have thought a little less fixed and compulsory than a juridical obligation. Outside those first four basic Principles, freedom of action is left to the Societies and the National Movements, but not to the I.C.A., which cannot act in political matters on any other basis than that of neutrality, not impotence, but of neutrality, that is to say independence of party label or attachment.

During the course of the many discussions of this Committee there was a resolution proposed, and even carried at one meeting,

that we should, in our recommendations to this Congress, say that the membership of the Alliance imposes the moral obligation upon the affiliated Organisations to *endeavour* to observe the whole of these Principles. That had particular reference to the last three; and if it is possible that the re-introduction of those words would make it clear that they are something less than juridical, something less than statutory, I am expressing only my own opinion when I say that the Central Committee could easily accept it. In conclusion, the work of this Committee has been done whole-heartedly, enthusiastically and objectively; they have given their whole energies to producing for you a Report which they believed would satisfy, or should satisfy, the needs of the Movement as a whole, preserve our Principles and take into account every legitimate prejudice and objection that might be reasonably considered. I think that in so outlining the work of the Committee and the purpose of this Report I have made clear to you what it is that the Committee have in view, and I hope in this way to have cleared the way for a fair discussion of the Report itself and for its eventual adoption this afternoon.

The PRESIDENT: We will now have a general discussion of the Report, and afterwards section by section.

Mr. E. STAVENTHAGEN (Finland): The President very appropriately remarked that approval of the Rochdale Principles is closely connected with the question of amending the Rules of the I.C.A. My personal opinion is that the Rochdale Principles are especially closely connected with Article 1 of the Rules, and I would like to say a few words on this Article, which reads as follows:—

“The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers, seeks, in complete independence and by its own methods, to substitute for the present competitive régime of private enterprise a co-operative system organised in the interests of the whole community and based upon mutual self-help.”

The representatives of the Neutral Consumers' Movement of Finland are not satisfied with this Article, and some time ago expressed their views upon it. This Article has been interpreted as implying that the aim of the Alliance is the establishment of a new social order—a Co-operative Commonwealth. This new order is frequently regarded—even by Co-operators in this Congress—as the fulfilment of the Socialist system. The President of the British Co-operative Congress in 1932, Mr. Downie, said that we should speak less of the Co-operative Commonwealth, because it implied either too much or too little, and could easily be misunderstood.

In our opinion the individual members or Organisations in the various countries are free to believe what they like about the aims

of the I.C.A. But this freedom must be enjoyed by all. It would not be right if in our international co-operative work an attempt were made to impose an obligation upon those Organisations which do not believe in, or are unwilling to accept, these aims.

But the activities of the I.C.A., and especially the draft of its Economic Programme, have given us even greater cause than the above-mentioned Article to believe that there is a very prevalent opinion within the Alliance concerning the establishment of a new socialist world system. Co-operation, for us, is not an aim, but rather a means, a necessary means, to improve the economic position of our members. In this respect we should be united and, therefore, it would be best if we adhered to the Principles of the Rochdale Pioneers. Our delegation is further of opinion that the proposal of the Central Committee to include these Principles in the Rules of the Alliance is correct and should be sufficient to define the aims of the International Co-operative Alliance.

With regard to the Economic Programme, we were not in agreement with the memorandum sent to the World Economic Conference by the Central Committee, and for that reason we have not taken part in the work of the Central Committee nor submitted any amendments to this report. We desire to explain our attitude to Congress, because the Central Committee proposes that it should be made a moral obligation of the members of the Alliance to adhere to the Principles contained in this Article of the Rules. We represent a typically Agricultural Co-operative Movement, and the agriculturists in other countries will share our view that the bourgeois system under which we live can be improved by co-operative activity and consolidated on the basis of individual ownership. It would, therefore, be of the greatest importance in our co-operative work, our international collaboration, if we were to avoid everything that could hinder collaboration between these sections of the population. Moreover, the Alliance has decided on the promotion of collaboration between Consumers' and Agricultural Co-operative Societies, and on this point we are in full agreement.

Mr. I. P. KAMPENIUS (U.S.S.R.): The question of the application of the Rochdale Principles in the modern Co-operative Movements is so extensive that we consider it necessary to limit our observations to the chief question, that of political neutrality. The Soviet Organisations have always expressed the view that political neutrality in the Co-operative Movement should be replaced by the principle of international proletarian solidarity, and that Consumers' Societies should make this principle the basis of their activities. But the proposals of the Soviet organisations on this question were always very decidedly rejected. Until now, and even at the Special Conference in Basle in June, 1933, the question of neutrality was regarded as of fundamental importance, but now according to the Report it is no longer considered a basic principle.

Why this sudden change ? Why is there now a question of making neutrality merely a moral obligation ?

A careful examination of the Report submitted by the Central Committee will provide the key to the solution of this problem. The Report says that Co-operative Societies can easily find their place under a system of fascist dictatorship, which is termed a "corporative state system." As an essential condition for the further existence of Co-operative Societies under a "Corporative State system," the Report advances the abolition of class.

The system of the "Corporative State," in other words "fascism," is the dictatorship of the most reactionary sections of the bourgeoisie and implies the destruction of all political and economic organisations of the working classes, among them the Co-operative Societies. Here there is no indication of the abolition of class. A necessary condition would be the expropriation of private property and the means of production. This has so far been achieved in only one country—the Union of Socialist Soviet Republics. It is our opinion that the attempt to represent the "Corporative State" as a classless system, is nothing but a support of fascism and the surrender of the Co-operative Societies to that system. The only explanation why political neutrality is no longer regarded as a fundamental principle is the fact that it enables the Austrian Consumers' Societies, which are under the control of the fascists, to remain members of the Alliance and prepare the way for the re-admission at a future date of the German Consumers' Organisations.

The Soviet representatives have repeatedly pointed out that the policy of neutrality pursued by the Co-operative Organisations only benefits the enemies of the working classes. There can be no neutrality where class fights class ; neutrality ties the hands of the proletariat against the capitalists. But Mr. Poisson does not take this into consideration when he speaks of the so-called independence of Co-operative Societies. Thanks to this neutrality, the representatives of the bourgeoisie have been enabled to launch their attack against the broad masses of workers. If political neutrality, therefore, strengthened the domination of capital, it was exceptionally detrimental to the workers. Neutrality hindered and split the fighting forces of the working class. This is an unpleasant fact, but it is nevertheless a fact.

In the face of such neutrality we have asked and still ask for the strengthening of the united class struggle of the proletariat. Only when the Consumers' Societies are bound up with the life and struggle of the working class will they be able to correctly discharge their tasks and assure their further development. The workers join Co-operative Societies in order to improve their economic position, reduce the profits of capital and utilize their Societies in their struggle against capitalism. We, therefore, propose the inclusion

of the Consumers' Societies in the struggle for the emancipation of the working class.

Mr. P. RAMADIER (France) : The very interesting analysis of the Rochdale Principles undertaken by the Central Committee has given us not only a more definitely critical study of these Principles and of the historic documents in which—in 1844 and 1845—they have been recorded, but also an insight into the results of the evolution which has prolonged their observance until the present day. First of all, I should like to express the hope that the historians of the British Co-operative Movement will continue their analysis by searching other documents and other sources drawn upon by the Rochdale Pioneers. By so doing they will one day be able to discover how much of the work of the Pioneers was their own original idea and how much the common heritage of preceding co-operative efforts.

If one wished to provoke a critical study of the Principles, it would be seen that these rules turn on two central ideas. First, there is the Principle of democratic control, of free administration by co-operators organising themselves outside the capitalist movement and outside the control of the authorities. Doubtless that was a long established idea ; it was the former practice of all English co-operators and of those who, on the continent, had already made some attempt to imitate them more or less closely. One may also think that this Principle of democratic control is, in the past, present and future, the touchstone of true Co-operation. That fact enables one to understand the discussions which have taken place at preceding meetings of the Central Committee. When dictatorships bring forward the principle of the intervention of the authorities in the administration of Co-operative Societies, it is the foundation stone on which a weakened Co-operative Movement rests.

Side by side with this Principle stands another, which has been the original and constructive contribution of the Rochdale Pioneers. All those who, until then, had attempted experiments in Co-operation had, more or less, sought to create a few isolated groups of co-operators, a few colonies more or less hermetically sealed from the rest of the world endeavouring to establish their own laws and a completely separate existence. The Rochdale Pioneers, taking account of the failures of their predecessors and realising that they must open the doors wide if they wished life to flow into the organism, had the happy idea of forming a co-operative group which would accept the essential rules and the fundamental ideas on which the economic system of those days was based.

It is the reconciliation between the Principle of democratic control and this acceptance of the law of the free market, of the practice of liberal economy, which has given birth to the device—so simple and, at the same time, so profound—the dividend. That

is the reason why Co-operation, thus open, has been able, within a capitalist economic system, to grow and develop. It is also the reason why, at the present time, even before attaining the centenary of Cobden's philosophy, the liberal economic system seems already to be slipping back and tending to disappear. For this reason also it seems that in this part of the work of the Rochdale Pioneers there is, I do not say something dead or dying, but at least certain Principles which the future itself will revise.

In the Central Committee's study the Principle of selling at the market price is put on one side; the Report of the Central Committee has been adopted, certain ideas of planned economy have been accepted, the idea of a just price tends to replace the principle of the law of the market This question opens out a vast field of study for Co-operators as well as an opportunity for practical experiments. This is the question for future study, an extension of that recently undertaken on the Principles of the Rochdale Pioneers.

Sir FRED HAYWARD (Great Britain): On the Report on the Principles of the Rochdale Pioneers the British delegation makes no apology for submitting an amendment to the Report which has been submitted to the Congress by Mr. May. To put the matter straight at the outset, I will read the amendment which I am submitting:—

“That those parts of the Report which relate to Items V. and VI. in the proposed amendments to Rules be referred back to the Committee for further consideration.”

The Rochdale Principles were formulated in 1844, and we are now in 1934, and so far as the question of religious and political neutrality is concerned one wonders whether that can be rigidly adhered to in any State, or whether the Co-operators in any country in the world to-day can be completely neutral in regard to the politics of their own country. Certainly we, in Great Britain, feel that we cannot accept this principle of political neutrality so far as it affects relationships between our own Movement and the State, and for that reason we say that it is unwise to incorporate in the Rules of the International Co-operative Alliance a Rule which, although it is whittled down from being a juridical to being a moral obligation, it is not the intention of the members of the Organisation to honour or to observe. I think I can speak, so far as Great Britain is concerned, and say that under existing conditions, and with all the information that we have now, our interest in politics is not likely to be less in the future, but rather more. The planned economy which is taking place with regard to quotas, with regard to tariffs, with regard to marketing schemes are all going to work through politics very largely to the detriment of our Movement, because in our country all these things are to be producer-controlled and the consumer is not to have a hand in the affair at all, and consequently we feel that we are bound not to political neutrality but to definite

political work in order to protect the consuming interests which we represent.

Then with regard to cash trading, I want to ask, is this possible? In our own country we have our own Wholesale Organisations, the English and Scottish. I make bold to say that 99 per cent. of the business done by those Organisations is and must be on a credit basis. Our large Retail Societies, although not actually committed to credit trading, have yet found that credit trading was essential to meet the changing conditions of competitive trade, and, as a consequence, again we say while we know that the Organisation in our own country, in our own Societies, is running on the lines it is, should we agree to put into a Rule connected with the International Co-operative Alliance that one of the basic principles is cash trading, and say, "Well, it is a moral obligation to us which we have no intention of carrying out, and which we cannot carry out if we approve it ever so much"? Personally, on behalf of the British delegation, I would ask the Congress to refer back those items in the Report which is now before it for consideration, for reconsideration by the Committee; and if you accept this so far as the Report is concerned, I take it that it will inevitably follow that the Rules which have been submitted, the amendments which have been submitted, will also go the same way.

I want to point out that, so far as neutrality is concerned, we accept this principle for the International Co-operative Alliance. We say that the International Co-operative Alliance must have not only open membership but must give freedom to the separate cultures of the separate countries composing its membership as to how they are going to carry on their own Co-operative Organisations in their own lands; but the difficulty we have is that the proposed amendments include the phrase that "membership of the I.C.A. imposes the moral obligation upon the affiliated Organisations to observe the whole of these principles, and any other essential methods approved by the Congress." Well, we want to say quite definitely that we are whole-heartedly with the work of the International Co-operative Alliance; we want to see it developed to the utmost possible extent, but we do not want to get mucked up and saddled with considerations of this sort that are merely words which, so far as we are concerned, mean nothing, and can mean nothing, and cannot remain obligatory upon the British Co-operative Movement. For those reasons we ask you to accept this amendment which I now propose.

Dr. G. FAUQUET (France): The Report which summarises the conclusions of the enquiry regarding the Principles of Rochdale forms in its entirety an exceedingly interesting document on the rules at present followed by Consumers' Co-operative Societies throughout the world. The French delegation joins wholeheartedly in the just homage which is paid in the Report to the memory of the

Rochdale Pioneers. On two points, however—two points on which, as a matter of fact, the example and the tradition of the Rochdale Pioneers do not give us any help—the French delegation make a few reservations.

In the first place, we uphold our position with regard to the principle of indivisible collective reserves, a principle laid down in France by Buchez for Workers' Productive Co-operative Societies, and in Germany by Raiffeisen for Co-operative Credit Societies. Recent co-operative laws impose this principle on all forms of Co-operation. We hold it to be an established fact that, when during the existence of a Co-operative Society collective reserves have been accumulated, such reserves, in the case of liquidation, would not be divided amongst the members. Their application should be quite disinterested. This principle was introduced into the legislation which governs us at the request of the Co-operative Organisations and of our Federation. We hope that, in those countries where the legislation still imposes a different rule regarding liquidation, the Co-operative Organisations will make the necessary effort to bring the law, in this respect, into harmony with Co-operative Principles.

As regards selling to non-members, the French delegation supports the opinion expressed on page 150 of the Report. We agree, however, with the conclusions of the Report which, on this question, are sufficiently in accord not to object to a limited and sensible amount of selling to the public.

For the rest, no rule relating to the application of Co-operative Principles can be rigorously interpreted and applied as though it were the Talmud, and without regard to the varied and complex circumstances in which Co-operative Institutions develop. The latter are living organisms, and just as no man or woman can absolutely conform to the canon of the Greek sculptors, so no Co-operative Society can boast of always having strictly observed the canonic rules of the Co-operative Movement. The essential thing is that the co-operative spirit should always exist and be active. What are laws without morals? What are co-operative rules without the co-operative spirit? Should we attach as much—and even more—importance to formal regulations as to the general principles which form the foundation of the Co-operative Movement?

These general principles—self-help and mutual aid—that is to say, personal effort and responsibility joined with collective effort, were inscribed in the Rules of the Alliance at the Basle Congress. These two principles dominate all the formal regulations and define Co-operation, of which they are both the condition and the result. To forget either of these two principles would be to mutilate Co-operation and to let it deviate from its path or be confounded with those forms of organisation which are only co-operative in name.

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The enquiry carried out under the auspices of the Central Committee has very fortunately defined some interesting points concerning the history of the Rochdale Pioneers.

The History of Holyoake will, no doubt, always remain an admirable work of popular initiation. From his pen the recital of the birth and beginnings of the Equitable Pioneers of Rochdale has all the savour and poetry of a wonderful Christmas story. But, while paying due homage to the twenty-eight Weavers of Rochdale and to their historian, we must also render justice to their predecessors. We are convinced that when their history is written it will show that the rules to which we adhere, rules which the Rochdale Pioneers have so successfully codified and applied with great common sense. have their origin in the conceptions of the rights of the people, in their distant and ever living aspirations towards justice and liberty, human dignity and the conscious solidarity of free and responsible individuals.

Mr. A. BARNES (Great Britain) : I desire to emphasise the point made by Sir Fred Hayward, that Congress and the Central Committee should take No. V. and No. VI. back for further consideration. In so doing we have no desire to impose our own views or methods on any other country, but the Central Committee have made the mistake, in introducing this Report, of bringing into the discussions of Congress, apparently, the issue that they themselves desire to avoid. It is of no use Mr. May trying to explain away the implications of this enquiry, because the debate on political neutrality runs through the Report of the Central Committee, through the enquiry into the Rochdale Principles, is embodied in the amendments to the Rules of the Alliance, dominates the paper of Mr. Johansson and reappears finally in the resolution on page 185. Therefore, the British Movement, in view of its own attitude towards the political affairs of its own country, could not possibly ignore the issue that is raised in this Congress Report. We are of the opinion that the Central Committee has confused practices with principles. We are of the opinion that they are not clear as to how far neutrality is linked with freedom. The practices of the Rochdale Pioneers were determined by the circumstances prevailing in Britain in 1844. The economic conditions of Britain in 1934 are entirely different, and those of us who know the spirit and the practice of the men who originated our democratic organisations in this country are absolutely certain that if the Rochdale Pioneers were here to-day they would be in line with the advanced thought of the British democratic movement, and would be in the forefront in taking action to defend what their own efforts had originated. Therefore, we claim that in all democratic institutions the real spirit of the pioneer is to tackle the problems of his own age and generation fearlessly, and not to be held by the dead hand of the past. For that reason the British Co-operative Movement has been one of continuous growth. We first laid firmly the foundation of our new

economic system. We then commenced to erect upon that our educational machinery, and developed knowledge and consciousness amongst our members as to what the Co-operative Movement really stood for. On that foundation of trade and education we are equipping ourselves with our own independent co-operative press, and on the foundation of trade, education and co-operative literature and press we are developing our own distinctive attitude towards co-operative citizenship. Is anyone going to say, in the 20th century, that the individual Co-operator who links himself with the educational development of Co-operation, and then proceeds to further the development of the Co-operative press—and who is prepared by his vote to further and defend the co-operative system, is less of a Co-operator than the individual who merely trades with a Co-operative Organisation? That position, in our view, is impossible. When we come to the issue of neutrality and politics in the everyday working of our life, neutrality is inaction, neutrality is passive. If we are to achieve freedom, freedom is the price of personal effort. Freedom is the price of mankind and his Organisations adjusting themselves to changing conditions, and we should never have succeeded in developing the British Co-operative Movement to the extent that we have unless we had been prepared to grapple with problems as they arose and overcome them.

I deny that the principles of the Rochdale Pioneers limit us to our economic life. One of their first and most important statements of principle was that this Society proceeds to arrange the powers of production, distribution, education and government; and, the developments that are taking place in Britain at the present moment are causing the British Movement to take a hand in shaping the industrial affairs of our nation. It is not without significance that in this new orientation of British political development through our parliamentary institutions all that economic planning tends to threaten, tends to stifle, tends to limit the growth of our British Co-operative Movement, and, therefore, we are more than ever determined to use our co-operative citizenship to defend what the Rochdale Pioneers left to us, and to advance it to still greater triumphs in the future.

Mr. NEIL BEATON (Great Britain): I would not have entered into the debate except for three paragraphs in the Report. The position has been ably put by Sir Fred Hayward and Mr. Barnes from the British point of view, but at the top of page 73, I want to draw the attention of delegates to a certain passage: "Under the 'planned economy,' either of the National Recovery Act or the partly developed plans of Great Britain, the Co-operative Movement and other types of voluntary associations are neither hindered nor displaced, but have their free opportunity of development." In view of the position in Great Britain I could not allow that paragraph to pass without protest, because we know from our experience that

our present Government is doing everything it possibly can to hinder our development, and I feel certain that if we, as British delegates, pass this Report without any criticism on that point, it might be used by the British Government against us on a future occasion.

Then at the foot of page 73, I read: "‘Planned economy’ applied to any state implies restriction and regulation in the interest of the community. There is, therefore, no serious inequality involved to the Co-operative Movement being included in a scheme of national planning." That is all very good if national planning is not going to mean that we are not going to be allowed to develop.

The PRESIDENT: Are you speaking on the Report of the Central Committee?

Mr. NEIL BEATON: Yes, I am speaking on the Report.

The PRESIDENT: We passed from the Report a long time ago.

Mr. NEIL BEATON: Well, coming on to the point of the Rochdale Pioneers, there is another paragraph there to which I would like to draw the attention of the delegates, on page 149: "In those instances and countries where a departure from the Rochdale Plan for Consumers' Societies of Distribution has taken place, either on the grounds of helping the poorer citizens or of keeping pace with modern methods of business, the changes have not been justified either on ethical or social grounds." Now I want to refer to the position of cash trading. We have got to recognise that as a result of giving credit to our members we have been able to develop our Movement in Great Britain. After the miners' strike our people suffered enormously. They had money invested in the Movement, in share capital, and these members ought to be allowed to trade on that share capital, but if we are going to agree to cash trading and not carry out cash trading we are not going to be in line with the International Co-operative Alliance, and I want, as far as those two points are concerned—that is, political neutrality and cash trading—that every country should be allowed to develop its own method, and we should not include those in the International Alliance. As Mr. Barnes has pointed out, we have changed since ninety years ago. The methods adopted ninety years ago are entirely different from the method to-day. We have got to recognise that ninety years ago we were up against the small private shopkeeper, but to-day we are up against enormous trusts and combines, and the Movement will have to develop its own method to meet that competition. Our opponents will laugh at us if they think that we have come to the conclusion that we are going to stand by the methods of ninety years ago. Because of that, I appeal to the delegates from other nations to allow this matter to be referred back to the Executive Committee, and I am quite certain that, in view of the discussion to-day, they will devise ways and means to bring us into line. Although I want to compliment the

Committee on their valuable Report, I am sorry to ~~see that no reference is made in that Report to Co-operative production.~~ If our Movement is going to succeed we can only succeed by developing our own production, and I hope that when the Committee again comes forward with their report they will put something in regarding the development of co-operative production in all countries.

The PRESIDENT: We will now adjourn.

CLOSE OF THE FOURTH SESSION.

FIFTH SESSION.

Thursday, 6th September.

The Present Application of the Rochdale Principles—(continued).

The PRESIDENT: We will now continue with the discussion on the Report on the Present Application of the Rochdale Principles.

Mr. A. GJÖRES (Sweden): I do not want to extend the discussion on political neutrality. We have only a limited time, and I personally have only five minutes to spend on the whole question, so I could not go fully into the argument on this particular point, which would need the whole Congress programme, and perhaps more days than have already been arranged. But I want to say that, in avoiding a personal statement and a discussion on political neutrality, that does not mean that I accept the views expressed here yesterday by some of our British friends. I want to stress that Co-operation, in my opinion and in Swedish opinion, is a form of economic, and not of political, organisation. Moreover, I think that experience fully proves that those Co-operative Organisations which have tried to engage in politics have proved to demonstration that Co-operation is not a political instrument.

My British friends will forgive me if I, for my part, say that the greatest proof of this is the British experience. For seventeen years now in England you have tried to get into politics, and I think that the results you have achieved justify the statement made by me here to-day. Our Movement consists of people of many political creeds, and if we engage in party politics it will sooner or later lead to a splitting-up or weakening of our Organisation. I think we should avoid that, and the only way to avoid it is to keep strictly out of party politics.

Now, as regards cash trading, which was mentioned here yesterday, it was said by some that we should adopt the methods which private traders use. Yes, to a certain extent we have to do so, but we should not adopt bad habits, and I think it is a bad habit to buy a turnover by a system of credit sales. A turnover can be bought too dearly. By extending the credit systems of different kinds it is inevitable that the prices in your shops would be increased, and there is a great danger that some day, sooner or later, some big firms might compete with you, cut prices, and go in for the straight cash sale—then it would be rather dangerous if you had such an equipment for credit sales.

This Report has been criticised, but I think it is excellent as far as it goes. It gives us some very good and clear statements as to historical facts, as to what the Pioneers thought on this or that matter; but, I would be rather inclined to criticise the Report from

another point of view. When we are dealing with the application of the Rochdale Principles we have not only to state what those principles are ; we have not only to state in what degree and to what extent those principles are adopted now by the Co-operative Organisations of different countries. We should also ascertain how those principles work out in practice against the background of the economic realities of to-day ; and this very important aspect of the subject is not dealt with in the Report of the Committee. For this reason I would be inclined to propose **that the whole matter should be referred back to the Committee, so that we may have a fuller examination of the whole subject, not only from the historical aspect but also in relation to the actual economic facts.**

Sir FRED HAYWARD (Great Britain) : On behalf of the British delegation we are prepared to accept the suggestion made by Mr. Gjores to refer the whole matter back, and in favour of that proposal I withdraw the amendment submitted by the British delegation yesterday.

Mr. M. RAPACKI (Poland) : I should like to say a few words on the points raised by the British delegation. As regards the neutrality of the Co-operative Movement, political and religious, this neutrality as a Rochdale principle, in my opinion, means neutrality within the Movement. It means the admission of every man and woman irrespective of political creed. It means also the avoidance of everything that might cause dissension within the ranks of the Co-operative Societies. It does not mean, however, that the Co-operative Movement should itself abstain from activity in any movement which has for its aim the defence of the interests and rights of the Co-operative Movement as a whole and the interests of organised consumers. Such activities would never divide, but would rather tend more strongly to unite, Co-operators. The Rochdale Pioneers themselves, and many other pioneer Co-operators in Great Britain, have tried to influence public opinion and the political factors on questions concerning co-operative law, and surely in many other questions. To-day, owing to the development of the Co-operative Movement and the tendency to intervene in all questions of social and economic order, such an activity is a necessity for the Movement in every country. It is not only a right, but an obligation of the Movement. If there are countries which do not need such an activity, it is their affair, but they cannot pretend that their point of view is based on the Rochdale principles. The only condition that is needed in such activities is a complete independence from any political party. Any party which will help the Co-operative Movement in those activities may be used, but no attempt should be allowed to make the Co-operative Movement the instrument of its political action.

I think there is a misunderstanding on the question of credit sales. The principle of cash trading as a Rochdale principle concerns

the sales to the consumers, and not the sales of Wholesale Societies to Retail Societies. Productive and commercial credit can be repaid with interest from the profits of the enterprise, but credit to the consumer is only the spending of the future earnings of the consumer, and therefore there is a big difference between the credit given by the Co-operative Wholesale Society to the Retail Societies and the credit given by the Retail Societies to the consumers. I think the Rochdale Pioneers' principle meant the latter—i.e., the consumer himself. In any case, as these things are not clear enough from the Report, as neither the Rochdale principle of political neutrality nor the Rochdale principle of cash trading is quite clear from this point of view, we also shall be willing to refer the matter back to the Committee to make these things clear; only we are sure that they are just as I have already said.

In regard to the reservations made by Dr. Fauquet concerning the indivisibility of reserve funds and sales to non-members, we in our country consider these two points as essential for a really Co-operative Organisation. They are, however, treated in the Report of the Committee so liberally that they can be admitted also, I think, by the French delegation.

Finally, I would refer to what was said by the Finnish delegate, Mr. Stavenhagen, about the rôle of the Co-operative Movement in the building of a new social order. I shall only quote the beautiful allegory which I read in a publication of the British Co-operative Union. Three workmen were working on one building. They were asked what they were doing. One of them said "I am laying bricks." Another said "I am earning my pay." The third said "I am building a magnificent cathedral." I prefer to say that we are building the magnificent edifice of the new social order, because it is more inspiring for the broad masses of the people, to whom we must say especially to-day, "Where are you going to?" and because it is our firm belief that it is true.

Mr. J. CORINA (Great Britain): Personally I am very sorry indeed to note that the British delegation leaders have decided to accept the full reference back of the whole Report. I find myself taking the view that almost four years' deliberation by the Special Committee appointed at the last Congress has been wasted. I think myself that there are many parts of the Report which are useful, and that the essential principles of Open Membership, Democratic Control, Dividend on Purchase, Limited Interest on Capital, and Promotion of Education are quite acceptable to us in the Co-operative Movement of the world. I think myself the doubtful questions seem to be political and religious neutrality and cash trading, and I think they have been the bones of contention. We might have referred back those two points, accepting as vital principles the remainder of the Committee's outline of principles in the Report. I quite agree with the British delegation's case of

yesterday that the so-called principles, so far as neutrality and cash trading are concerned, are not in the nature, really, of principles at all, but are rather in the nature of day-to-day tactics which must, of necessity, change according to the time and place of the society concerned. I myself take the view—and I speak as an individual—that the International Co-operative Alliance must of necessity remain politically neutral, understanding political neutrality in the same sense as it is defined by our Special Committee in its Report—namely, that the neutrality of the Alliance does not prevent it from taking political action, discussing political questions, supporting political measures, whenever such action, discussion or support will lead to the advancement or benefit of the Co-operative ideal; but that it does prevent the Alliance from identifying itself with any particular political party or programme or any religious creed. It further prevents the Alliance from refusing admission to its ranks to any genuine Co-operative Organisation on the ground of its identification with a particular political party or religious creed. As far as I can see political neutrality would not permit the Alliance to discriminate against the British Co-operative Movement or against any particular Society on the ground of its affiliation. However, I do think that some moral obligation would be attached to the adoption of political neutrality by the Alliance. I do think that the Alliance should offer a lead to the Co-operative Societies which constitute its membership, and I do think, nevertheless, that we should be under a moral obligation to follow out the principles adopted by the Alliance, and we might be involved in some difficulty if political neutrality were adopted at this juncture. Therefore, I would be in agreement with the reference back for further consideration and for further agreement between the parties particularly concerned upon the questions of political neutrality and cash trading. I think that we are more attached to the economic and social theory conceived by the Rochdale Pioneers than to the methods by which they sought to attain those ends, and because of that, whilst I take my stand as a member of a Society affiliated to the British Labour Party, I myself feel that I am morally with the British delegation in order to secure that unity which I feel is essential on a matter of this kind, and in the circumstances that we are in to-day.

The GENERAL SECRETARY: In view of the turn which this discussion has taken this morning I do not intend to reply in detail; indeed, I think if I were to attempt to do so the President would soon be calling me to order for irrelevance, because, until my hope quite unexpectedly turned up in the person of a member of my own Society, Mr. Corina, from Woolwich, I had not a chance, in replying to the discussion, to adhere to the subject of the Report. Mr. Corina is the first speaker in favour of the British proposal for adjournment who has shown any appreciation of the Committee's attitude, or, indeed, of the text of the Report which is before you,

and from that point of view he has strengthened the confidence that I personally feel that in meeting the objections this morning by taking the Report back we shall have the certainty of its adoption when it comes up on the next occasion.

Mr. Beaton yesterday said that he wished that we had referred to co-operative production, and that we had done something in examining its relation to the principles of Rochdale. I would call the attention of the Congress to the paragraph in the Committee's Report on page 146 in the English edition, which reads: "The Committee would emphasize here, what it elsewhere indicated, that the greatness of the task of examining all the different types of Co-operative Organisation comprised in the membership of the Alliance, and their relation to the Rochdale basis, has led them to the decision to confine this first Report to the position of Consumers' Societies of Distribution, leaving the other groups, viz., Wholesale Societies, Industrial and Agricultural Producers, Credit Societies, Co-operative Banks, etc., for later and separate treatment. They, therefore, suggest a renewal of their mandate in order that these further investigations may be undertaken."

I think that it was necessary to make clear to those who have not read the Report that the Committee itself had before it most of the points of criticism which have been made, and particularly this further research.

By this "reference back" you retard the growth of the Special Committee's little bantling, but you do not wipe out the Principles of the Rochdale Pioneers. They still stand in the statutes of the Alliance; they still have their force.

Something has been said about a dead past. There is no dead past with regard to the Principles of Rochdale. Principles of right and of truth and of virtue are eternal, and inextinguishable by fascism, by communism, by dictatorship, by tyranny of any sort or kind. I say to you that for the Co-operative Movement the Principles of the Rochdale Pioneers, which are only ninety years old, have no dead past, and can have no dead past; they have an eternal future, and it is for you to realise that future in all its fragrance and in all its beauty.

The PRESIDENT: The discussion is closed, and we now have to take the vote. The British delegation having withdrawn their amendment, there remains only one amendment, that of Mr. Gjores of Sweden. Mr. Gjores has proposed that the whole Report be referred back to the Central Committee for further examination of the whole question, not only from the historical aspect but also in relation to the actual economic facts. This proposal has been seconded. Are you all agreed with this procedure?

The proposal for the reference back was Carried by a large majority.

**GREETINGS OF
THE DIRECTOR, INTERNATIONAL LABOUR OFFICE.**

The PRESIDENT: I have the pleasure to introduce to you the Director of the International Labour Office, Geneva, Mr. Butler, who has just arrived as an honoured guest to this Congress.

Mr. HAROLD BUTLER, Director, International Labour Office, said: When I received your invitation to attend this Congress I felt that it was a duty, I might almost say a pious duty, to attend if I possibly could, partly because I had never had the privilege of attending one of your Congresses before, but more especially as a duty to my predecessor, Albert Thomas. Most of you knew him not only as the great man that he was, but also as the great Co-operator; and since the very foundation of the International Labour Office he tried to create a link between the Office and the Co-operative Movement. I do not think I need recount the history of that co-operation between you and us. I would only like to recall with pride and with pleasure that on his death I was appointed the Chairman of the Inter-Co-operative Committee which meets several times a year in Geneva, and although the immediate objects of the International Labour Organisation and of the Co-operative Movement are not identical, the principles on which they are based are, I think, the same. Co-operation, after all, is not only the source of all internal strength, but co-operation between nations is the source of the only possible prosperity.

In his opening address your President inveighed against the economic warfare between nations. He pointed out that the way back to prosperity, that the way of recovery, did not lie through warfare but through co-operation, and that principle has been insisted upon year after year at the International Labour Conference. Some of you may perhaps have seen the resolution which was unanimously adopted at this year's Conference, not only the workers' representatives but those of the governments and of the employers voting in agreement on that principle, that until international trade and international harmony can be restored it is idle to expect any far-reaching or permanent recovery. Our principles and our interests touch each other at that point. There is another point which figures on your Agenda, and to which the British Minister of Labour alluded in his address the other day.—I mean the question of leisure or spare time. That, too, is a question to which the International Labour Office has necessarily paid a great deal of attention. It is gradually coming to be realised that the question of leisure is not only the key to moral and cultural advancement, but also has its economic aspect, and during the last few months an international committee has been set up at Geneva, with the support and sympathy of the Office, to study the whole question of leisure in relation to industrial life. For that reason I am particularly glad that this question should also have engaged

the attention of the Co-operative Movement, and I hope that we may look to you for a great deal of assistance, that there may be a real and close co-operation between us in studying that important problem.

There are many other points of contact. Not so many years ago Mr. Poisson and Mr. May attended a meeting of the International Labour Conference when we were discussing the question of night work in bakeries, and I should like to remind you that in the very early days of the Organisation it was pointed out that it was open to governments, in nominating their delegations for Geneva, to appoint representatives of the Co-operative Movement in those delegations. Advantage has been taken of that faculty on more than one occasion by a number of governments, and as far as I am concerned I hope that it will be made even greater use of in the future, because I think our fundamental aims and principles are the same, and in these times, when some of the most cherished beliefs that we hold are threatened, when one might even say that the foundations on which our present society is, to a large extent, built up are imperilled, it seems to me all the more necessary that all institutions aiming at bringing nations together instead of driving them asunder should look to each other for sympathy and help and guidance in dealing with our common problems. That, I think, is the link, the vital and indestructible link, which binds together the International Co-operative Alliance and the International Labour Organisation.

The PRESIDENT: On behalf of the Congress I have the pleasure to thank Mr. Butler for his sympathetic address. At the same time I would express the hope that the relations between the International Labour Office and the Alliance will remain of the best.

PROPOSED AMENDMENTS TO THE RULES OF THE I.C.A.

The PRESIDENT: We shall now take the proposed Amendments to the Rules of the Alliance. In view of the fact that the Report on the Rochdale Principles has been referred back for further research, the proposed amendments of Articles 2, 7 and 8 automatically fall. There remains, therefore, only the proposed amendment submitted by the Central Committee to paragraph 16, Rate of Subscriptions. In this connection the Amendment of the Russian delegation will also be dealt with.

Amendments Proposed by the Central Committee :—

“RATE OF SUBSCRIPTION.”

Article 16.

II. Individual Membership.

Paragraph 1, line 4, delete “£10” and insert “£20.”

Paragraph 2, delete :—

“ £1	If the membership does not exceed	1,000	
£1 10s.....	If the membership is between.....	1,001 and	3,000
£2	” ” ”	3,001 and	5,000
£3	” ” ”	5,001 and	10,000
£5	” ” ”	10,001 and	25,000
£7 10s.....	” ” ”	25,001 and	50,000
£10	” ” more than	50,000.”	

and insert the following new scale of subscriptions :—

“ £1 1s.....	If the membership does not exceed	1,000	
£2 2s.....	If the membership is between	1,001 and	3,000
£3 3s.....	” ” ”	3,001 and	5,000
£5 5s.....	” ” ”	5,001 and	10,000
£10 10s.....	” ” ”	10,001 and	25,000
£15	” ” ”	25,001 and	50,000
£20	” ” ”	50,001 and	100,000
£40	” ” ”	100,001 and	200,000
£50	” ” more than	200,000.”	

III. Collective Membership.

Paragraph 1, line 4, delete “ a minimum subscription of £10,” and insert “ a minimum subscription of £20.”

Paragraph 2, delete :—

“ 1s.....	If the average number of members does not exceed	300	
2s.....	If the average number of members is between	301 and	600
4s.....	” ” ”	601 and	1,000
6s.....	” ” ”	1,001 and	2,000
8s.....	” ” ”	2,001 and	3,000
10s.....	” ” exceeds	3,000.”	

and insert the following new scale of subscriptions :—

“ 1s.....	If the average number of members does not exceed	300	
2s. 6d.	” ” ” is between	301 and	600
5s.....	” ” ”	601 and	1,000
7s. 6d.	” ” ”	1,001 and	2,000
10s.....	” ” ”	2,001 and	3,000
12s. 6d. ...	” ” ”	3,001 and	5,000
15s.....	” ” exceeds	5,000.”	

IV. Delete :—

“ The standard of all subscriptions shall be the £ sterling, but while the present depreciation in the currency of various countries continues payment may be made by those countries at such proportion of the standard rate as the Executive may determine, but not less than three-quarters.

When, however, the Central Committee decide to adopt the basis of turnover, all subscriptions shall be calculated at the standard rate."

and insert :—

" The standard of all subscriptions shall be the £ Gold."

Amendments Proposed by Centrosoyus, Moscow :—

" RATE OF SUBSCRIPTION."

Article 16.

III. " Collective Membership."

Add to the end of paragraph :—

" provided that the subscription of no Union, or Union of Unions, shall exceed £2,750 Sterling."

IV. " The standard of all subscriptions shall be the £ Sterling, but payment can be made in gold by those countries which would desire it."

Mr. E. I. VARIASH (U.S.S.R.): The proposal of the Central Committee concerning the increase of subscriptions is not acceptable to us. The Soviet Organisations are paying already more than one-third of the total subscriptions of the Alliance. The economic position, in our opinion, is not such as to induce us to raise the scale of subscriptions, rather should the budget of the Alliance be adapted to the prevailing conditions. For this reason we adhere to our amendment that the subscription of no Union or Union of Unions shall exceed £2,750 (sterling). We have also proposed that the basis of calculation shall be the £ sterling and not the gold £, because as a result of the depreciation of the English currency this alone makes a difference of 40 per cent. We ask Congress to adopt these proposals.

Mr. R. A. PALMER (Great Britain): Those of you who were present at the Vienna Congress will begin to think that it is becoming a habit of mine to oppose the proposals of the Russian Movement with regard to the finances of the International Co-operative Alliance, for at that Congress I had to follow a Russian delegate and state the British point of view with regard to the financial position of the I.C.A. Now, I must say that since the period of the Vienna Congress the financial position of the Alliance has been one of very grave concern to the Central Committee and to the Executive. We have, of course, recently lost the German Movement, but you will remember that in 1931 Great Britain went off the gold standard, and the effect of that on expenditure abroad will be well known to those of the British delegation who have had occasion to visit countries in Europe during the past year or so; but you will realise that, throughout this Report, there is stressed the necessity for the

development of the essential services of the I.C.A., services, indeed, in some cases which had been commenced but which have had to be curtailed as a consequence of the finance not being available to enable that work to be continued. For example, we came to a decision that we would form a fund by the setting on one side of £500 a year, which fund should be available for missionary work in some of the countries and continents where the help of the I.C.A. is badly needed. We have not been able to implement that decision, and no sum has been placed to the credit of that fund. I would refer you in particular to pages 34 to 36 of the Central Committee's Report, where the question of the financial position of the Alliance is fully and adequately dealt with.

Now with regard to the Russian position in particular, we are told that Russia cannot afford to pay more than £2,750. If that were the sole object of the submission of their amendment I wish to suggest to them that they have gone exactly the wrong way about it. They, by their resolution, are saying that no country shall pay more than £2,750 per annum, which is directly cutting across the proposals of the Central Committee of the International Co-operative Alliance contained on page 76, and would, in fact, prevent the British movement from making the contribution on the scale which is here laid down.

Mr. VARIASH (U.S.S.R.): Our country is obliged to pay more.

Mr. PALMER: If the Russian Movement wants special consideration, let them make application; but they say "The subscription of no Union or Union of Unions shall exceed £2,750 sterling."

Mr. VARIASH: "Shall be obliged."

Mr. PALMER: "Shall exceed."

Mr. VARIASH: Well, change this word.

Mr. PALMER: Never mind about changing the word. You have said what you have said. I want to suggest that if any Movement is willing to pay more it should be able to pay more, and I also want to suggest that in any Co-operative Organisation there must be equity of treatment as between member and member; there must be an equitable basis of contribution on the part of every member. That is true co-operative principle, and I suggest that we ought to endeavour to give to the Alliance such a sum as will enable it adequately to perform the services to the International Co-operative Movement that we expect from it. I hope that the Congress will adopt the recommendations of the Central Committee with regard to the subscriptions, and thus ensure that in the future the Alliance shall not be hampered and handicapped in its work by lack of funds.

Mr. A. GUREVICH (U.S.S.R.): I want to second the amendment made by our Russian delegation, and in answering Mr. Palmer

I want to say this, that it is no use playing with words. Our intention is not to oblige anybody or any organisation to pay more than £2,750. You can do it, and if necessary we will quite willingly change the words to "shall not be obliged to pay more than £2,750." As a matter of fact, we did not forbid the British delegation to pay more than £2,750 up till now, but so far as I can see from the Report only the Soviet Organisation have paid £2,750, whereas the British have paid £2,060 in 1930, £2,073 in 1931, £2,057 in 1932, and £2,100 in 1933. That only shows that up to now we have paid the biggest amount of all, and if Mr. Palmer and our British friends want to pay more we would quite willingly accept the change in our amendment to say that no one shall be obliged to pay more than £2,750, but if one wants to pay more, all the better. We think that no one country should be obliged to pay more than £2,750, and that the work of the Secretariat of the Alliance does not justify a bigger payment from our country than £2,750 a year. As a matter of fact, if you will accept entirely what is suggested in this amendment it will mean that our country will have to pay something like 50 per cent. of the whole subscriptions instead of paying, as now, about 33 per cent. So we are quite willing to change the wording to please the British delegation, and to include that no country is obliged to pay more than £2,750. I have pleasure in seconding the amendment.

Dr. B. JAEGGI (Switzerland): There is a well known German proverb which declares that "When it is a question of finance, a truce to jesting." Let us practice it just now!

I can well understand the reservations of our Soviet friends, but the question which presents itself is, whether the proposition for the increase of the resources of the International Co-operative Alliance is necessary and practical. I am convinced that to that question there can only be one answer—an affirmative. The budget of the I.C.A., compared with those of other international organisations, is relatively small, and if we constantly ask for greater services from our Alliance, then we must also supply it with the necessary funds. And in this respect the proposal of the Central Committee appears to me to be perfectly right. If the Soviet delegation proposes that no country shall be obliged to pay more than £2,750, but shall be free to pay more, I think that we cannot entertain such a proposal. We must rather see to it that all members pay subscriptions in accordance with their importance. I am sure that the great Soviet Union is in a position to pay the subscription which is asked for, and probably more easily than many of the small countries which are represented here and have, perhaps, to contend with greater financial difficulties than Russia. We, therefore, support the proposal of the Central Committee and recommend its adoption.

Mrs. A. E. CORRIE (Great Britain): I desire to support the recommendation to increase subscriptions, and I appeal to every

delegate to vote against the Russian amendment. The other day you listened to the Russians telling you of the improvements that have taken place in their country from an economic point of view, and particularly from the point of view of wages increase, and now to-day you hear them pleading that to increase their subscriptions to the International Co-operative Alliance will almost bring ruin to them. It is far too funny to hear them pleading in this way, and it is a Co-operative principle that each country shall contribute according to its means. If there is any country that finds this increased subscription hard to pay, then let it appeal to the Central Committee, and they will do what the Co-operative Union in England does : they will consider the circumstances in which that particular Society or country is placed. I would point out to you, as has already been pointed out, that there are vast countries where propaganda for the co-operative principles has not even been heard of, and if the I.C.A. is to do its work properly, then it must have the finance. Therefore, I hope that every country represented here this morning will vote against the Russian amendment.

Mr. E. LUSTIG (Czechoslovakia) : I must express our disappointment with the trend of the proceedings of this Congress. The report on the Rochdale Principles has been referred back, amendments to Rules have been postponed, and now efforts are being made to hinder the activities of the Alliance by cutting down its income. We thought that, in view of world economic and political conditions, the I.C.A. would hold together more closely and forge weapons to protect the whole International Movement. In these discussions we do not see the spirit—I will not say the goodwill—which is necessary in order to hold together our Movement. We were very glad to hear from Mrs. Butuzova that in one country, at least, progress is being made. We heard something about 70 million co-operators in the U.S.S.R. and were somewhat surprised at this high figure, but statements to the same effect were made by other delegates. But when it is a question of the payment of a subscription, which is small in proportion to the greatness of the Movement, then Mr. Gurevich comes forward and says that the work of the Alliance is inadequate and does not satisfy him. On the other hand he does not wish to contribute to enable these activities to be extended. This is not logical, and at Congresses one should be logical. The small countries experience greater difficulties in paying their subscription than the large countries, but they pay willingly, because they hope that the Alliance will safeguard their interests ! We believe that the Alliance is able to disseminate the ideas which we hold throughout the whole world, and that the private economic system will gradually be replaced by a co-operative economy. We will, therefore, vote against the Russian proposal.

**GREETINGS FROM
THE PRESIDENT OF THE DISARMAMENT CONFERENCE.**

The PRESIDENT: We will now adjourn the discussion on the Rules until after lunch, in order to receive another honoured guest. I have the pleasure to introduce to the Congress a great man, well known not only in his own country, Great Britain, but throughout the whole world.—The Right Honourable Arthur Henderson, President of the Disarmament Conference.

The Rt. Hon. ARTHUR HENDERSON said: It is to me a considerable pleasure to be with you this morning in my capacity as President of the Disarmament Conference. I desire, however, to take this opportunity, at the request of the Executive of the British Labour Party, to convey to the Congress fraternal greetings and cordial good wishes. A great number of the members of our Party are most devoted and enthusiastic Co-operators. In this country we like to think of the Co-operative Movement, the Trades Union Movement and the political Labour Movement not as three separate organisations, distinct and apart from one another, but as three parts of a whole, each seeking in its own way, by mutual effort, to promote the social, economic and political interests of the great mass of the workers of our country.

But I am here in my capacity as President of the Disarmament Conference, and I want to say a few things regarding the work in which I am engaged. I want to make it clear that, in my opinion, fundamentally peace depends on a new habit of mind. To make peace secure, the peoples must learn to think in terms of the world as a whole and not of any single nation. They must think in terms of co-operation and not of conflict. It must be brought home to the peoples of all lands that armaments are an immediate matter of world concern, that the armaments of each country must be made subject to international rules as to quantities and as to use. This, unfortunately, is not always realised, though your Alliance, I must say, has done everything possible to bring it home to those whom you represent. The Alliance appears to me to have conducted its operations in a definitely international spirit. You have endeavoured to develop international thought and you have formulated a concrete international policy. Then your International has always stood firmly for peace and disarmament, and you recognise the need for these weapons of destruction to be reduced to the lowest possible point. In other words, you believe that the principle and spirit of Co-operation should be applied to armaments as the most effective means of providing a strong defence against any aggressive attack. Many nations, unfortunately, do not appreciate as yet that they are members of a single international society. How clearly was this demonstrated during the most acute stages of the economic crisis, when nations failed to realise that they had common interests which could only

be promoted by mutual co-operation! This failure to appreciate the world position is the more surprising in view of the fact that science has abolished the barriers of time and space, that in a very special sense nations are at the cross roads and will have to choose what the future will bring to the generations that will follow after us. That choice, in my opinion, between co-operation and conflict, between peace and war, must be made now, if we are to avoid slipping back into barbarism and anarchy. Even the very nearness of danger fails to move some nations to take the necessary effective action. For many months an atmosphere of tension, fear, suspicion and distrust has poisoned the stream of international affairs. A grave economic crisis has brought loss and suffering to millions of homes. To employers it has meant idle machines and idle workshops, to multitudes of unemployed it has meant intolerable hardship and misery, and to Governments it has brought serious financial problems. Need I remind this Conference that the citizens of every country, faced with this economic crisis, have watched their Governments trying to fight a world ailment with national remedies? The result has been an increase of the very insecurity which they were trying to fight. This blind attempt to safeguard national interests by protective tariffs and other harmful restrictions has weakened confidence, aroused suspicion and brought about a serious increase in armaments, despite the fact that Europe cannot possibly afford to spend nearly £500,000,000 a year upon armaments. Peace cannot be permanently guaranteed by armaments but by encouraging every nation to find its security in arbitration, in progressive disarmament, and by strengthening the peace-keeping system of the League of Nations. The paramount need is to realise drastic disarmament, and that by world agreement and the complete elimination of private gain in the preparations for war. This should be accompanied by an effective scheme of full security, by which each nation is protected from aggression not by its own efforts alone but by the combined pressure of the world at large. If we could secure the restriction of the national armaments of Europe and of the world by international agreement under the guarantee and supervision of all the signatory Powers, we should have taken the most decisive step to make secure the peace of this world. In thus briefly presenting the case for an organised peace, may I appeal to all the representatives in this International Congress, on going back to their respective countries, to do everything in their power still further to stimulate public opinion in order that we may get this world agreement, for without such a world agreement we can never hope to have a permanent peace.

I return to Geneva on Saturday next. The proceedings of the Disarmament Conference have been very prolonged, but I ask you to realise the immensity of the task that we have in hand, asking as we do, Governments to break with old established traditions and

to allow their armaments for the first time in human history to become the subject of international control and not of individual control. So long as individual Governments are free to determine the size of their armaments and the uses to which they shall be put, so long shall we be prevented from getting a stabilised world peace. Once you start them on the road, as we are endeavouring to do at Geneva, on a co-operative system for dealing with armaments, then you may expect peace to become permanent.

In conclusion, you have always stood in your Congress firmly for peace and disarmament, and I believe that, in all our future efforts to bring the Disarmament Conference to the success which I am sure you all desire, we shall not only have your sympathy but we shall have your practical support.

The PRESIDENT : On behalf of the Congress, I have the honour to thank our guest, the Right Honourable Arthur Henderson, for the inspiring words he has addressed to us. I am sure of being the interpreter of the whole Congress when I assure him that Co-operators all over the world are strongly united for international peace, which is the surest guarantee for the progress of the economic activities of the Movement and the realisation of our ideals.

CLOSE OF THE FIFTH SESSION.

SIXTH SESSION.

Thursday Afternoon.

PROPOSED AMENDMENTS TO THE RULES OF THE I.C.A.— (continued).

Mr. G. PRACHE (France) : In agreement with my friends of the French delegation, I desire to place before you our opinion with regard to the problem of subscriptions and the proposed amendments to Article 16. The French Co-operative Organisation accepts the amendments proposed by the Central Committee ; it accepts the increased rate of subscription and also that the standard of subscriptions shall be the £ gold. Everyone here desires that the International Co-operative Alliance should be strengthened and developed ; everyone feels more than ever the necessity for it. It is obvious that if we wish to obtain satisfactory results we must finance the organisation from which these are demanded. It is for this reason—an essential one in our opinion—that we unhesitatingly support the proposal to increase the rate of subscription.

Nevertheless, we would draw attention to the sacrifice which the acceptance of this increase entails for the French Co-operative Movement. I will only remind you of the hard and painful times through which our Movement is passing, hard, certainly, from a moral point of view, but also materially. In addition to their current and normal expenses, our Societies have been called upon—and have agreed—to make a further effort, and one of long duration, in order to ensure the complete success of the concordat of the liquidation of our Co-operative Bank. Our Central Organisations will be obliged to appeal to the basic Organisations of the Movement for the funds necessary for our national activities which, in future, must be greater than ever, and also to meet the fresh international obligations which the adoption of the new Article 16 of the Rules will impose upon us. In return for our sacrifice we should be able—and I venture to express here the hope that we shall—to count on a full measure of clear-sightedness, of goodwill, and of the capacity for organisation and for action on the part of our Central Committee, its Executive Committee and of its General Secretary, in order that henceforth—the financial means having been provided—necessary measures may be accomplished without delay in the different regions where we wish, or where we ask for them to be undertaken. We also hope for a speedy return of better times which will enable us to again review the situation and, perhaps, to reconsider certain decisions with a view to lessening the burdens which we accept to-day.

It only remains for me to examine the question raised by our comrades of the Soviet Co-operative Movement. Our friends

Mr. Palmer and Mr. Gurevitch have exchanged opinions in a friendly duel. I apologise for what I am going to say, but that duel has somewhat amused us. Certainly, as Mr. Jaeggi has reminded us, questions relating to money are too serious to be made the subject of jests, but it seems—if not impossible—difficult, or at least unpleasant, that there should be any differentiations in the Rules with regard to regulations concerning subscriptions. We cannot, therefore, support the proposal of the Soviet delegation on this point. Neither can we contemplate with indifference the fact that if the Soviet Co-operative Movement must in future pay a subscription according to the new scale, it would constitute a considerable burden which probably it might not be able to bear. Nevertheless, we ask our fellow Co-operators of Soviet Russia not to insist upon the adoption of their proposal; and, at the same time, we would urge the Congress to invite the Central Committee to examine the possibility of giving satisfaction to the Co-operative Movement of the U.S.S.R.

The GENERAL SECRETARY : I am indeed sorry that it is necessary for me to intervene on this question. I have no desire to put any case against the Soviet Co-operative Organisations in this matter of subscriptions at this Congress. We have our differences and difficulties, which we generally manage to settle after a time and after some tribulation, but I do want this Congress, before it passes from this question, to get some comprehension of the real bearings of the situation that is before it. Now, the first point is, for twenty-one years, I have tried honestly and sincerely to examine the whole field and to present to the Executive and the Central Committee fair and equitable propositions. Mrs. Corrie this morning put the situation in a nutshell when she pointed out that Co-operation, speaking generally, meant first of all that the burden should be borne equitably, if possible, and where there were special reasons for relief they should be considered as exceptions.

With regard to this £2,750 which is put in the amendment of "Centrosoyus," you ought to know how that sum was arrived at. It was in this way. Three years ago, after many pleadings and negotiations, the representatives of "Centrosoyus" who are here to-day came to the Executive and said "We are too poor to pay what we ought," and the Executive requested me to discuss the whole question with the Soviet representatives and submit a reasonable proposition to meet their pleadings and demands at that time. The representatives of "Centrosoyus" said they could not afford to pay the sum that applied to them under the Rules. Let me remind you that the basis is the same as it is for Great Britain, for France, for Switzerland, for Sweden and for the other countries, based upon the importance of the Movement and the number of the members. Therefore, so far as it is applicable, and it is applicable

to those National Movements that are fully developed, it is approximately equitable. The persons are in this Congress to-day who discussed with me in a friendly manner at Brussels, and afterwards in London, what they should do. Eventually I agreed to recommend to the Executive that the subscription of the Soviet Organisations, until the next Congress in 1933, should be fixed at £2,750 per annum. So far from being in accordance with the Rules, this sum only represented about 50 per cent. of what was due in proportion to Great Britain and other countries. That recommendation was adopted, to continue until 1933. It still continues in 1934, and whatever increase you decide on to-day cannot operate till 1935. Now, I ask, is it fair or equitable than an Organisation which everywhere expands itself on the basis of 73,000,000 members, £2,200 millions of trade per annum, should come to this Congress and say that that 50 per cent. of what it owed, in comparison with Great Britain, France, Sweden, Switzerland, or no matter which country, three years ago is all that it can pay? I will not characterise it; I only ask you, is it fair, is it equitable? That is the position. It would be, in my opinion, seriously inequitable if this Congress, for psychological reasons which are utterly incomprehensible to me, should agree to a proposal of this sort and do a serious injustice to every other country that is represented in this Alliance.

So far as I am concerned—and I believe I speak for the Executive and the Central Committee—we are prepared to accept the recommendation made on behalf of the French delegation—that is, that you should agree to this increase of the subscription which is generally approved, and leave to the Central Committee the task of dealing with special and exceptional cases; and if the richest Movement in the world can come and plead poverty its case will receive consideration.

Mr. E. I. VARIASH (U.S.S.R.): I have had the pleasure of attending many International Congresses, but I am forced to admit that none has been so tedious as this one. This is already the third day of our discussions, and on such important questions as fascism and the adjustment of the German Co-operative Movement, no one has spoken apart from the Soviet delegation. Even on the Economic Programme of the Alliance, only our own delegation has spoken. We are on the eve of a new war—but not a word has been said on this point, yet this question of subscriptions has given rise to more animated discussions than problems on which the fate of mankind depends. I regret that this financial question develops into a political question. Our friend Mr. Palmer said that the limit of £2,750 was too low and that the English Organisations would pay more. To this we reply that we have no objection whatever if an Organisation contributes voluntarily any amount it chooses to give. The British Movement is welcome to pay £10,000 if it wishes, but we cannot bind ourselves to pay a higher subscription. It is very easy to make propaganda with other people's money. Mr. Lustig is only

entitled to speak about his own pocket, and if it gives him pleasure he can pay a greater sum than the £112 which he is paying now. I protest against Mr. May's statement that we said we could not pay more because we were too poor. This is not true ; we only said that we could not pay more than this amount. Our members entrust us with their funds and these we are bound to safeguard and protect.

With regard to our representation in the Alliance compared with that of other countries, we have no desire whatever to secure automatically the highest representation in our Alliance. But when you speak of proportions, you must consider all sides and not only the question of subscription. If we are to contribute more than 50 per cent., then we will also want a corresponding share in the decisions of the I.C.A. We intend to continue the payment of subscription which we have paid hitherto. Should the motion of Mr. Prache be adopted, then we are prepared to withdraw our own motion.

The PRESIDENT : The discussion on this question is now closed and I propose to take a vote. We have before us three different proposals : first, the motion of the Central Committee, which is printed in the Agenda ; secondly, the amendment of the Soviet delegation, which is also in the Agenda ; finally, we have the recommendation proposed by Mr. Prache on behalf of the French delegation, which reads as follows : " The Congress asks the Central Committee of the International Co-operative Alliance to examine favourably the motion of the Soviet delegation concerning the determination of their rate of subscription to the International Co-operative Alliance." I will first put the recommendation of Mr. Prache to the vote.

On a show of hands the recommendation of the French delegation was Carried.

The PRESIDENT : In view of this vote the Soviet amendment is withdrawn. I will now put to the vote the amendment of Article 16 proposed by the Central Committee.

The amendment of the Central Committee was Carried unanimously.

PEACE AND DISARMAMENT.

The PRESIDENT : The Central Committee have decided to include on the agenda the question of Peace. The General Secretary will submit the proposal.

The GENERAL SECRETARY : The announcement that I have to make is extremely simple. The Executive, at its meeting on Saturday last, took into consideration, with some concern, the fact that, while the question of Peace and Disarmament was embodied in its Report the preparation of a suitable resolution

for this Congress on the subject had been entirely overlooked. Perhaps that was in part due to the difficulty which we have experienced during recent years in coming to any agreement between all the nations concerning a pronouncement not about peace but disarmament. From the press and from your own experience you will know quite well how great the difficulties have been in the Disarmament Conference itself in trying to arrive at an understanding or any formula which would satisfy all the nations; but the Executive were seriously concerned lest this Congress should close without some pronouncement upon universal peace as the basis of our co-operative ideals and enterprises, as well as the traditional policy of which the Alliance itself was founded. For these reasons, then, and also perhaps in view of the fact that the President of the Disarmament Conference had promised to pay us a visit, which he did this morning, the Executive decided to recommend the Central Committee to agree that a resolution reaffirming our traditional attitude, which, indeed, should be no longer in doubt, should be prepared.

We have tried to prepare a text that would express our inalienable adherence to the desire and aim of peace as the basis of our co-operative system and, at the same time, would avoid any reservation with regard to disarmament which any nation represented here may have. Therefore, the text which you have before you has been prepared. While it cannot be regarded as an extraordinary manifesto, it at least reaffirms our position in terms that are unequivocal. The Central Committee hope that you will see your way to adopt it unanimously.

The text of the Resolution proposed by the Central Committee was as follows :—

“Faithful to its Traditions, to its Principles and the Resolutions of its Congresses, the International Co-operative Alliance once again declares its indissoluble attachment to the cause of Peace and Disarmament.

It counts with complete confidence on all Co-operators in every country of the world to use every means and take advantage of every appropriate opportunity to obtain and safeguard a durable and universal Peace.”

Mr. A. A. DREJER (Denmark) : On behalf of the Federation of Danish Co-operative Societies I would like to make a few remarks on the question of the resolution for world peace and for disarmament. I have already had the honour to explain to the Congress the Danish point of view as to the neutrality of the Alliance, that we are of opinion that the Alliance, as far as possible, should limit itself to purely co-operative questions and special co-operative work. We appreciate that the I.C.A., in our opinion, has made progress in that respect in recent years and, in spite of the fact that the work has not, in all respects, been carried out on

the lines upon which we are working within the Consumers' Co-operative Societies and also within the Agricultural Co-operatives of Denmark, we are still of the opinion that we are promoting co-operative interests by taking part in the work of the Alliance. We are a little disappointed that the question of disarmament is being dealt with here, because we are of opinion that disarmament is not a special co-operative question, and that the Alliance, for that reason, should not discuss it.

Need I say that this point of view is not dictated by any opposition to disarmament itself? Need I say that we in Denmark are friends of world peace and also of disarmament? When it is a question of our own national policy, I hope it is not necessary to give you assurances in this regard. The only reason of our disappointment, and the only reason why we feel that the question should not have been dealt with here, is that disarmament, in our opinion, is generally regarded as a political matter and, may be, a difficult one. It is, therefore, outside the sphere of the I.C.A.

It may be said that disarmament is of great importance for the Co-operative Movement and for the members of the Societies. Yes, of course it is; but not specially for us as Co-operators, as members and leaders of Societies of different kinds, and, I might say, as delegates here. Therefore, we are of opinion that this Congress is not the right forum for considering disarmament, and not the right place for it. We shall, therefore, abstain from voting, and we believe that by doing our own special co-operative work we are contributing in the best manner towards world peace.

The PRESIDENT: I have still four speakers on my list. Will you agree that the discussion shall be closed after these four delegates have spoken. (Agreed).

Mr. I. A. ZELENSKY (U.S.S.R.): In our view the question of peace is a most important one. We regard the speech delivered by Mr. Arthur Henderson, and the raising of the question of active support for peace as very appropriate and opportune. The danger of a new imperialist war for the re-dividing of the world is greater at present than it has ever been before. War is being openly advocated in the fascist press of Germany and in the Japanese newspapers, and all capitalist countries are engaged in a feverish armaments race. It is quite clear that in Europe the main protagonist of war is German fascism which, with unprecedented celerity, is expanding her war industries and reviving militarist Germany. In Asia the initiator of war is Japan, invading China and manifestly preparing an attack on the U.S.S.R., while at the same time it menaces other countries with its plans of invasion and threatens to drag the whole world into a new war.

Faced with this extremely serious threat of war, the activities of the International Co-operative Alliance towards the safeguarding of peace are altogether insufficient. The resolution adopted at

Basle in 1933 cannot be regarded as a real effort towards the maintenance of peace. That resolution did not impose any obligation on anybody; it was capable of provoking only indifference, and in no case could it mobilise the people in the cause of peace. In point of fact, all that the resolution said was: "Peace—amongst men is the highest aim of civilisation; the tradition and goal of the International Co-operative Alliance and the world-wide Movement it represents; and the fundamental necessity of economic restoration from the world-wide depression which afflicts the world to-day." This resolution does not expose the actual instigators of war, neither does it rally the masses of workers to the banner of peace, nor indicate the necessary ways and means for safeguarding peace. Can such steps be called instruments in the struggle for peace? The safeguarding of peace should be the most important task of all Co-operative Organisations. Tens of millions of working men and women, organised in the Co-operative Movement, are animated by the desire for peace, and are thoroughly alarmed by the danger of war which is now obvious to all. That is why the Congress should adopt a clear-cut programme of struggle for peace, a programme for marshalling everybody against the dangers of war, a programme of united action with all the workers' organisations and in co-operation with all those who are honestly prepared to fight unflinchingly against the preparation of war and in the cause of peace.

Mr. Arthur Henderson was quite right in saying that the danger of war poisoned the present atmosphere, and that the last war brought about a financial and economic collapse in many countries. It may be added that the next war will land all countries into still worse horrors and catastrophes.

The working classes and the government of the U.S.S.R. have given numerous proofs of their unflagging will for peace. In its fight for peace the Soviet Union relies firmly upon the support of the working classes of all countries, and is prepared to give its support to every effort directed towards the maintenance and strengthening of peace.

We, therefore, propose that the International Co-operative Alliance should adopt the following amendment:—

- (a) To declare itself in favour of the complete abolition of armaments and general disarmament;
- (b) To bring home to the Co-operative community that the present menace of war in Europe arises from the Nazification of Germany and, in the East, from the Japanese military cliques;
- (c) To call upon all Co-operative Organisations to conduct amongst the workers a widespread campaign against fascism; against the danger of a new war; and against the piling up of armaments;

(d) To call upon all Co-operative Organisations to mobilise their members to offer energetic resistance to armaments and to all measures preparatory to war ;

(e) To actively support all action by working class organisations calculated to strengthen peace ; to assist the workers in their struggle against the war danger and fascism both within the borders of their own countries and in the international field."

The Congress has raised a number of questions the solution of which is eagerly expected by the co-operative membership and the working population. It may be that the Congress, having raised these questions, will find itself in the position of certain of Shakespeare's heroes who shrugged their shoulders in face of difficulties. It should be borne in mind that life cannot await our decisions only. Its contradictions find their solution in class struggle and in conflicts within capitalist groups. It is useless to go no further than the use of mere phraseology when war is knocking at the door. Mr. Henderson pointed out that the sympathy of the Co-operative Movement in the struggle for peace is not enough ; practical support is needed.

Mr. A. STARK (Great Britain) : In supporting this resolution on peace I wish to offer to the I.C.A. and to all the delegates some suggestions whereby international peace can be secured. It is no use passing resolutions unless you are prepared to work for those resolutions after you have passed them, and in my opinion all wars can be expressed in one word—greed ! That one word can be sub-divided into two—business or trade, and markets. If you go into the causes of all past wars you will find that it was always either foreign markets or trading at home that needed boosting. By trade at home I mean the private interests, in the mines with regard to coal and steel, in shipyards and workshops for the manufacture of arms. When you see that a modern battleship costs approximately £6,000,000, and that at least from 20 to 25 per cent. of that is profit, it is obvious that there is some incentive for hatred between nation and nation.

Now, I suggest that the I.C.A. could very well put into operation a programme to which no patriot could object. That programme is that the manufacture of the munitions and implements of war should be taken out of the hands of private speculators and should be a national concern ; that no implements of human destruction should be exported to foreign powers ; that no private profit shall be made out of the side-lines in manufacture, such as coal and iron and mining royalties.

Mr. E. POISSON (France) : At the meeting of the Central Committee of the Alliance we unanimously agreed that a resolution on peace should be submitted to the Congress. In view of the traditions of the International Co-operative Alliance, the absence

of any resolution on peace on an occasion like this would have signified the abandonment of an idea that the Alliance has never relinquished. But what I want to point out to you now is the delicacy of a problem such as peace and disarmament before this Congress. I earnestly desire peace and, above all, I hold that every possible step should be taken to avoid war.

Quite recently at Geneva we have seen wonderful demonstrations by hundreds of thousands of women; yet the Disarmament Conference is still trying to find a road to success. Because I am a Co-operator I am a realist; in the face of the frightful menace of war I cannot feel much admiration for pious resolutions. The fact that one's conscience rebels will not stop war.

There is only one way to prevent war—that is, by the international organisation of peace. And in that connection I recognise the logic of the Soviet reasoning. The Co-operative Movement cannot organise and ensure peace; it is a matter of politics, a great political question, to which every man of goodwill must devote himself. Political means must be used to organise peace. To raise within the Movement questions of war and peace is to introduce war into the Movement, because of the divergent opinions which come into operation. For example, if you wished to say here what you would do against war, you would have to say if you desire unilateral disarmament or simultaneous disarmament; you would have to say if resistance to war should go to the length of refusing to take up military service and refusing to work in munitions factories. In fact, if you wished to take action against war you would have to concern yourselves with all the problems which arise regarding its prevention. It would not be enough to express pious wishes. I do not say that conscientious protests are worthless, but do not forget that the Alliance cannot go beyond verbal expressions against war, beyond a general conscientious manifestation for disarmament.

For this reason I shall vote in favour of the resolution of the Central Committee.

Mr. F. MODRACEK (Czechoslovakia): I agree with the opinion expressed by the Soviet delegation that the proposed resolution on peace is inadequate, but we are not in a position at this Congress to deal with concrete proposals; that is not our task. We can only make a simple demonstration, and the practical means to carry it into effect must be left to politicians, the League of Nations, international conferences, etc. Now that the U.S.S.R. is going to join the League of Nations, it will be able to propose the means which are contemplated by the resolution before us. Of course, we cannot consider these means, but when the U.S.S.R. becomes a member of the League of Nations, the Russian representatives in the Central Committee will no longer be able to reproach us for our relations with the League. Further, I believe that in their

endeavours for peace, the Russians will have the support of the women in all countries, since millions of signatures have been collected and sent to Geneva. Millions of signatures against war have also been collected in Czechoslovakia to support the efforts of the League of Nations.

We are surprised at the attitude of the Danish co-operators. The Czechoslovakian delegation is sincere in its advocacy of neutrality in the Co-operative Movement, or, perhaps better expressed, the independence of Co-operation from political parties and other connections. But this does not mean that as co-operators we must have nothing to do with world problems. It is true that with the adoption of such a modest resolution we will not banish war, but I must protest against any suggestion that as co-operators we must not stand up for the maintenance of peace. We cannot allow this right to be taken from us. To take up an attitude against war is not a political question which concerns only diplomats and political parties, it is a question which concerns all peoples and therefore the whole of mankind, and as such it also concerns the Co-operative Movement. Co-operation has the right, as well as the duty, to denounce war, and for this reason the resolution which we are asked to adopt is quite opportune and as men and women we must vote for it.

The PRESIDENT : The discussion is now closed. We have before us two proposals ; first the one from the Central Committee, which you all have before you ; second, the amendment of the Soviet delegation, which has been read and which is proposed as an addition to the motion of the Central Committee. I will first put to the vote the amendment of the Soviet delegation.

The Soviet amendment was **Rejected** by a large majority.

The PRESIDENT : I will now put to the vote the motion of the Central Committee.

The resolution proposed by the Central Committee was **Adopted** with two or three dissentients.

Mr. E. I. VARIASH (U.S.S.R.) : The Soviet delegation have voted in favour of the Central Committee's motion in spite of the fact that they consider this resolution entirely insufficient, because it lacks any concrete proposals as to the means of avoiding war, and it does not mobilise public opinion against the dangers of war.

CLOSE OF THE SIXTH SESSION.

SEVENTH SESSION.

Friday, 7th September.

THE LEISURE OF CONSUMERS AND PRODUCERS.

PROPOSITION

of the

Fédération Nationale des Coopératives de Consommation, Paris.

The Organisation of Leisure by the Co-operative Movement is a problem which is worthy of special attention from four points of view—social, educational, and those of propaganda and co-operative organisation.

THE SOCIAL POINT OF VIEW.

This aspect of the question is of primary importance. Co-operation is a form of social action which can only be understood by sane and healthy beings, whose conception of life is based on justice and equity. This conception, which is brought even more to the fore by the conditions of modern life, remains entirely unknown to the great mass of consumers and producers until they have had the opportunity, during their leisure hours, that is, during the time when "a man can do as he pleases," of escaping from the routine of their daily lives and developing their personality. If a man is to escape from the situation in which he is placed by the necessity of earning his living, he must have certain and abundant leisure.

The introduction of the legal 8-hour day, following the Washington Agreement of 1920, was to give the working classes much more leisure. But it took the working class of every country by surprise; the eight hours of work, following the ten hours of before the war and the twelve hours of the war years, found their minds unprepared. The pre-war slogan—eight hours of work, eight hours of sleep, eight hours of leisure—was the more readily forgotten because the world of labour had been passing through such troubled times.

Was there any hope of finding in these masses, after this fevered period, the idea of moral regeneration and development of the human personality, through the proper employment of the leisure which they secured under the law? The unfortunate thing was that nothing had been done to enable the workers to make a wise use of their leisure.

To-day the question of the organisation of leisure has acquired greater importance than ever, because of the world economic crisis. This crisis calls for a better utilisation of the labour available, simultaneously with a reduction of the hours of work.

Ought the Co-operative Movement, in view of this future prospect, to consider the organisation of the leisure hours of the world of workers, in order to enable this time to be more rationally used ?

The answer must be in the affirmative. The Co-operative Movement cannot refuse to help in the solution of such a problem.

We come, therefore, to the second point.

THE EDUCATIONAL POINT OF VIEW.

When the Rochdale Pioneers decided that a fixed sum should be allocated from the surplus, and used for the education of the members, it was because they rightly considered that it was through education that the masses of workers would come to understand how they would achieve complete liberty as a result of the economic transformation to be brought about by substituting the co-operative for the competitive and capitalist régime.

But they had to carry out this education, create this understanding, train the pioneers from whom could be drawn the leaders needed for the future. Hence their anxiety to find the finances necessary for the education of those masses of consumers who, although intelligent, were uneducated, because they were poor.

The method of allocating a certain percentage from the net profits for the purpose of education was adopted ; the next thing was to organise this educational work. But the workers lacked leisure, owing to their long hours of work, and only the favoured few devoted themselves to this task.

These few did nevertheless carry on the work, so that to-day Co-operation has become an economic force with which its adversaries are compelled to reckon. The majority of its adherents, however, are only sympathisers, whose conception of the co-operative ideal is the inadequate one of dividends, lower prices, better goods.

The co-operative idea ought to be popularised by a select body of leaders, a powerful minority of men trained in the school of Co-operation. The organisation of leisure encourages the education of the masses, and may draw from them the elements needed to form a group of conscious co-operators.

Besides a co-operative school for the recruiting and education of officials, we must establish centres of general culture, organise excursions, establish co-operative hotels for the holidays, lay out sports grounds, and organise co-operative visits between one province and another, and even between one country and another. This is the task which co-operators should undertake. For example, visits to the match factory in Finland, the Swedish electric lamp factory, or the co-operative mills and the soap works in England, all these establishments being viewed under the guidance of qualified co-operators, who will explain the evolution of Co-operation in their

country, and the struggles which are being carried on against the trusts and the capitalist organisations, will be so many lessons calculated to awaken in the young the most powerful and lasting sympathy for Co-operation.

The organisation of leisure so as to further the education of co-operators is a task to which we ought not to be indifferent.

THE POINT OF VIEW OF PROPAGANDA

From the point of view of propaganda, the organisation of leisure by the Co-operative Movement may produce important reactions.

Better than publicity calling attention to the existence of the Co-operative Society, better than big meetings which draw the masses to hear well-known speakers dealing with Co-operation in the highest sense of the word, the best form of propaganda, that which is most effective as propaganda, is that carried out by members among non-members. The conversation of a co-operator, praising the quality of co-operative products, and their moderate price, has a decisive influence on the listener. We must there seek for a means of assembling the greatest possible number of unorganised consumers, and bringing them into contact with men and women co-operators, to enable the latter to carry out their propaganda.

This idea has already been applied in the organisation of popular or family festivals, but these cannot be increased indefinitely. To bring consumers together in order to occupy their leisure in common, or even individually, is the most rational means of attaining the goal at which we aim.

To gather together all the photographers, all the swimmers, all the dancers, all the wireless enthusiasts, all the philatelists, all the playgoers, all the cyclists in a given district, to form centres of general culture, to encourage technical education by organised courses, to interest people in the cultivation of small gardens—all these are means of bringing people together and reaching them with our propaganda, while at the same time encouraging them in their favourite leisure-hour pursuits. These groups ought to be assisted by the Co-operative Societies, and any assistance that may be given should be considered as propaganda and educational work.

If there existed in each country a National Committee which had the necessary information and documentation, and lists of speakers useful for starting these local groups, it would be possible to gather together a greater number of consumers and producers, to make them acquainted with Co-operation, to carry out their general education, and to draw upon the reserves of men and women whose interest had been awakened in this way for the leaders and staff of which the Movement stands in ever greater need, and of

which there is such a lack. What is true nationally is also true internationally.

Many experiments have been made, but they are not sufficiently well-known, compared, encouraged and promoted.

THE POINT OF VIEW OF CO-OPERATIVE ORGANISATION.

Co-operative leisure organisations, in the form of Co-operative Societies for special purposes, also come naturally within the sphere of the Co-operative Movement.

Co-operation is a system whose purpose is not only to supply food and material wants by collective association, on a non-profit-making basis, it can also satisfy most advantageously, both in quantity and quality, the requirements of health, rest and recreation, the needs of the leisure hour—and this for the masses of consumers and producers, the masses of the people.

For these reasons the F.N.C.C. proposes to the Congress the following resolution, convinced that it is in accordance with the aims of the pioneers of the co-operative idea.

RESOLUTION.

The Congress of the International Co-operative Alliance requests the Central Committee to make an enquiry from all its affiliated Organisations as to the means that they have employed, and the results that they have obtained, in the organisation of the leisure of consumers and producers, either by special Societies for that purpose or by auxiliary institutions, and what are their proposals and plans for the future.

The Congress also requests the Central Committee to organise regular International Co-operative Conferences, similar to those for the Press and Education, which will afford an opportunity for considering experiences, stimulating initiative, directing and defining all the forms of the Organisation of Leisure which are possible for Co-operation.

The PRESIDENT: I will call upon Mr. A. Fauconnet to propose the resolution on The Leisure of Consumers and Producers submitted by the French Federation.

Mr. A. FAUCONNET (France): In submitting to you a proposal concerning the workers' leisure, the French Co-operative Movement is inspired by the idea which was very dear to the heart of one of the greatest of our colleagues, now, alas, no longer with us—our esteemed friend, Albert Thomas, who had had a more particular attachment to this question since the Washington Agreement established the application of the 8-hour day and restored to the workers some of the leisure hours which they had for so long lost.

Throughout the Middle Ages the organisation of work allowed the workers to benefit by collective leisure. Large patronal or corporative fêtes were then held: the Catholic Church calendar included a series of general festivals and also others peculiar to the respective corporations. For the workers, these were so many opportunities of leisure. But towards the end of the 18th century the industrial revolution, which started in Great Britain and spread gradually to all civilised countries, led to the creation of large factories in which the workers were called upon to work terribly long hours. In fact, the workers' leisure was completely taken away. All the documents which we possess about the life of the workers during the first half of the 19th century agree on this point, and the Liberal economist, Michel Chevalier, does not conceal it when he writes, about the middle of the last century, "At the present time, the people are working fourteen hours a day, but there is no means of doing otherwise." But if the Liberal economist was resigned to this state of affairs there were others who protested against it. At the beginning of the industrial revolution Jean Jacques Rousseau, in a letter to Alembert, expressed his condemnation in a very fine phrase: "It is not enough," he said, "that the people should have time to earn their bread, they must also have time to enjoy eating it." It was this idea, revived in the 19th century by all the great social reformers, whether Christian or Socialist, which inspired trade unionism, which, at the close of the 19th century, led to the famous claim for "eight hours of sleep, eight hours of work, eight hours of leisure." It was this formula which was sanctioned, after the war, by the International Agreement at Washington, to which I referred a few minutes ago.

Since 1920 the problem has steadily increased in importance. The length of the working day, fixed a comparatively short time ago at eight hours, shows a tendency to become still shorter. Thanks to the progress of mechanisation, we are gradually approaching a 40-hour week. The question has been considered by Trade Union organisations at both their national and international Congresses, and it has even been the subject of an important discussion at one of the sessions of the International Labour Office.

Co-operators should rejoice at this development. The reduction in the hours of labour and the increase in the workers' leisure represent a great social victory. According to a saying of Albert Thomas: "It is the fair share which the workers can demand in the distribution of the new wealth created by technical progress."

But while Co-operators should congratulate themselves on this victory, they should also interest themselves in helping the workers to make use of their leisure. In the memorandum before you we have set out the reasons which should incite Co-operative Societies to concern themselves with this question. They combine an idea cherished by our predecessors, the Rochdale Pioneers, in their plans of the education of Co-operators.

It is recognised by everyone that the Co-operative Movement already represents the soundest and most thoughtful element in the whole working class. The Co-operator is an emancipated person. The larger the Co-operative Movement becomes, the greater will be the need to have plans and active agents, not only for propaganda but also for the defence of our institutions. The attacks made on Co-operation, while the Movement represents only a small part of the economic forces in each country, give us an idea of the magnitude of the battles we shall be called upon to fight when, under the pressure of circumstances, the capitalist system sees its structure gradually disintegrating. It already appears that the co-operative formula could be substituted for the capitalist formula, but capitalism will defend itself with all its strength and with all its weapons in order to delay its fall.

From now onwards we shall feel the need of young, active and educated men whom the Co-operative Movement must have for its defence against all the attacks which will be waged against it.

In the face of such a prospect for the future our immediate work is clearly defined—to make the men, to educate our members by developing their personality.

These are the various reasons which have led the French Co-operators to attach special importance to the organisation of leisure. They do not forget that in the different countries the Co-operative Organisations have laid themselves out to amuse as well as to educate their members, and have initiated a host of very successful ideas. But what, in our opinion, has been lacking in this respect is, first, the idea of unity, of making the co-operative organisation of leisure in each country a national institution, capable of co-ordinating the different activities of the local Societies. Another thing which has been lacking in the co-operative organisation of leisure is, in the international sphere, the comparison of experiments made in different countries, and the co-ordination of our various national activities with regard to the utilisation of leisure. It is for these reasons that the French Co-operators ask the Congress to adopt the resolution.

Mr. A. FABRA RIBAS (Spain): The Spanish delegation supports wholeheartedly this resolution on the subject of leisure and hopes that it may be adopted unanimously.

I could give theoretical reasons in support of our attitude; it may, perhaps, be better to place before you certain relevant facts concerning Spanish Co-operative Societies. For example, the Co-operative Societies of Catalonia have always formed sections for the organisation of artistic groups, of excursions and, above all, of festivities for the children. That, in itself, is a complete movement, as our dear master, Gide, with his observant and shrewd mind, once said. Societies in various countries bear such names as "The Sower," "The Butterfly," "The Bee." Gide, however, urged that

we should adopt more distinctive, more characteristic, names, such as "Progress," "Brotherhood," "Dignity." The latter particularly pleased him for, he said, it reflected the spirit in which Co-operation should be conceived.

Societies in the centre of Spain have established Co-operatives for children, seaside homes. We have sent some of our teachers to France, to the Isle of Oléron, while others have gone to Gérardmer, not only with the object of seeing new methods suitable for adoption in Spain, but also to arrange, if possible, for an exchange of Co-operators, both children and adults.

In the North of Spain the Co-operative Societies are of a rather special type. In the Basque provinces there are many students and admirers of Brillat-Savarin who know the secrets of good cooking. They have organised Co-operative Societies whose members meet together to eat and drink well, and to sing. The co-operative spirit is so strong amongst them that at their repasts they have dispensed with the service of waiters. The Committee undertake to provide the food and to spread the meal in a given place; when the members have assembled everyone helps himself and pays for what he has eaten; there is no supervision but, nevertheless, everyone pays exactly what he owes. The Co-operator feels himself morally responsible and always obeys his conscience.

Other Co-operative Organisations have been created, for example, Fishermen's Co-operative Societies. They are Co-operative Productive Societies, but also Organisations which try to engage the fisher-folk from childhood to manhood. Schools and sports organisations have been organised for these children. There is, in particular, the "Fishermen's Home," to attract and hold together the maritime population, to draw them away from the public house, and to give them a taste for reading and art. In the Fishermen's Home there are wireless sets and a film projector; simple lectures are given—and all this has proved very successful. In this same sphere the children are also considered, and Co-operative Societies are formed in the schools, not only for buying pens and exercise books but also for the purchase of games, and for making football fields. The children are imbued with the real spirit of association and of brotherhood, so much so that when a child is ill his friends take it in turns to visit him. Children are thus given more than the mind of a tradesman, they are given a spirit of brotherhood and even of independence.

These are the reasons why the Spanish delegation supports the French proposal concerning the utilisation of leisure.

Mrs. E. REID (Great Britain): I am very happy that this question is on the agenda of this International Congress, because I look forward to the day when our children and the young people of different countries will know each other much better than they do to-day. I think we have, in the past, not attached so much

importance as we should have done to the youth and to the children, the junior element of our Movement, and I feel that as future Co-operators they must have much more consideration and much more help. I have listened with very great interest to our French and our Spanish friends this morning, speaking of what they are doing in their countries, and I hope that the Alliance is going to urge all Co-operators in every country to further this movement. I hope that these activities are going to be undertaken to a very great extent compared with what has been done in the past. In conclusion, I hope that our children are going to have every opportunity that we can possibly give them of understanding each other, and if we can bring that human element into our Movement I am sure that in the future there will not be any need for war in any country, because, having come together in this way, they will understand each other and will not misjudge each other.

The Rev. G. S. Woods (Great Britain) : I welcome very much this resolution from our French comrades for two main reasons. The first is that, as Co-operators, all our members are in such a position that they have a certain percentage of their time for leisure, and many have, unfortunately, practically the whole of their time in idleness, but when it comes to utilising our leisure time, seeking entertainment in almost any direction, we cannot be Co-operators ; we have to pass some of our income back to private enterprise and profit-making businesses, with only very minor exceptions in England. Very few cinema palaces are owned by Co-operative Societies, and, so far as I know, not a single theatre. When it comes to the question of sport, we have made a beginning, and last Saturday was a demonstration of it, but, in so far as we provide sporting facilities, it is almost exclusively for employees. Many of our Educational Committees—and this applies throughout the world—have done something in an effective way with regard to organising amateur dramatics, but we have not gone into the business in a big way, and I believe that a Conference of the kind suggested might help us to face up, as a Co-operative Movement, to the fact that here is a vast and increasing opportunity for the provision of a commodity ; it may not be bread, but man does not live by bread alone, and it is a vital commodity, because in the use of leisure we develop our manhood and womanhood, and I believe that the Co-operative Movement, if it faces up to this vast problem, can make a huge contribution to civilisation.

The second reason is even more important. Other delegates have emphasised that, because of the mechanisation of industry, mass production and so forth, we are bound to have a considerable amount of time on our hands. This was seen many years ago and is beautifully described in the little book published at any rate in English, "The Soul of Man under Socialism," by Oscar Wilde, where he points out that through all the centuries a working class has been necessary because there has been drudgery, but that the

day has arrived when the machine can do the drudgery and man is emancipated. Now the working class movements in this country, and in other countries to some extent, I believe, have in my opinion made a very great practical mistake. The question of unemployment is the problem of the employing class; the problem of the workers is the problem of poverty. For centuries there have been those who have had unemployment, but there has been no complaint, because they have had the means. Our tragedy is that, even when we have the leisure, we have not the means to utilise it sensibly. Our problem is the problem of poverty. If we concentrate—and it will be perfectly within the scope of our aspirations as Co-operators—on this problem of poverty, so that we can organise the equitable distribution of the wealth of the world so that every man, woman and child shall have his or her share, then I believe the problem of unemployment and the problem of leisure will solve themselves. I, therefore, hope that, when this Conference is held, as I hope it will be held, we shall help to bring the working class movements of the world to face up to the real stark problem.

Dr. J. P. WARBASSE (U.S.A.): We have heard from sociologists and economists much discussion of the leisured class. We have in the United States a peculiar leisured class—people whose leisure is forced upon them against their wills—some ten million of unemployed. It happens that among these unemployed are a considerable number of teachers in our public schools and in our universities. We, Co-operators, have discovered a new use for these teachers. Among them are many who have been teachers of economics and social problems. There are large groups now among the unemployed receiving instruction in Co-operation at the hands of these teachers. We have organised classes of unemployed who are now enjoying instruction in the methods whereby such unemployment as they are suffering may be prevented. Further than this, we have gone so far as to organise these unemployed into groups or Co-operative Associations, and these groups are now engaged in producing. Among them is one group with a shoe factory, an unoccupied shoe factory that they took over. Another group is producing food-stuffs and canning foods. Another group is manufacturing clothing. These groups are exchanging their commodities with one another. I present this suggestion to the Congress as a possible use of co-operative education among the unemployed. It is said that blessed are the uses of adversity. We are capitalising adversity for the purpose of co-operative education and the promotion of co-operative understanding among this unfortunate class, the unemployed. It might be used in many other lands.

The PRESIDENT: No amendments or objections have been made to the resolution sent in by the French Federation. I think the Congress will unanimously adopt this resolution.

The resolution was Carried unanimously.

REPORT

ON THE

Rôle of International
Co-operation in Present Day
Economic Development.

**THE ROLE
OF INTERNATIONAL CO-OPERATION
IN
PRESENT DAY ECONOMIC DEVELOPMENT.**

**By ALBIN JOHANSSON.
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The peace treaties were signed about the middle of the year 1919 and thus ended the most formidable war the world has witnessed so far, causing as it did three-fourths of the world's population to become embroiled in hostilities against one another. It was plainly realised that the work of reconstruction would take a considerable time. In spite of the fact that so much of the world's productive forces and progress had been shattered during the world war, a remarkably optimistic view was taken of the possibilities of rallying the nations to united work of reconstruction. It seemed that the inauguration of the League of Nations implied the realisation of the greatest international idea that we had hitherto dared to entertain, and the practical internationalism which was focused in the League of Nations was reflected in all spheres of social and economic life. The greatest confidence imaginable was placed in the goodwill of humanity and the nations towards international co-operation.

The Co-operative Movement also shared this feeling of optimism, nationally and internationally. In the number of the I.C.A. journal which introduced the first year of peace proper (1920), these optimistic hopes were very strikingly expressed. It said: "The remarkable symposium of confidence and hope in the future of Co-operation, contained in the International New Year Greetings which we publish in this issue, shows how widespread, in fact, almost universal, is the belief in the power and possibilities of Co-operation. It may be objected that this optimism is only fully shared by that section of mankind which has special knowledge of, and experience in, the work of our great Movement. Even so it would still cover the larger proportion of the civilised peoples. But Professor Gide has pointed out elsewhere that International Co-operation was "an early anticipation of the League of Nations," and the principle which underlies the League is identical with the spirit of Co-operation." From the point of view of the International Co-operative Alliance the path of the future was thus seen to lie in a reconstruction and development of the connections between the National Co-operative Movements, based on trustful general co-operation between the nations of the world. We know how this belief in a vast practical mission for Co-operation in the work of economic construction actually found expression in the formation of the I.C.W.S. The above-mentioned article stated in regard to

this question: "It is futile to say that this question is ripe for action. The fact is that the absence of an effective international trading organisation at the present time, when the greatest opportunity in the history of the world is at our feet, is lamentable." Great expectations were entertained at this time for the work of the I.C.W.S., and the practical obstacles which had to be surmounted seemed comparatively small when viewed against the background of the general international boom which everybody hoped for. Like the vast majority of people, the representatives of international co-operation also realised that there was only one possible way for economic expansion in the world, viz., a return to unfettered commercial intercourse between the nations, and extending this so as to realise the ideal of Free Trade. "What the world needs above all," the article in question said clearly and distinctly, "is the quick resumption of production and trade—free trade in the fullest and best sense."

For us who are able to survey developments some fifteen years later, it is easy to determine how economic developments, far from fulfilling the optimistic expectations which were then entertained, have instead unfortunately taken entirely different trends, partly quite the opposite to those which were then considered to be the only imaginable lines of development. To begin with, however, matters perhaps looked more promising than later, as there was no other choice than to resume the most urgent international connections, if there was, on the whole, to be any such thing as economic activity at all. To such an extent had isolation reached during the world war. It is true that the work of reconstruction made rather rapid progress, in spite of all delays in removing wartime restrictions on trade and production in the form of export prohibitions, duties against dumping by means of depreciated currencies and other disturbances which had been caused by changes in the monetary systems in different countries at that time. Production was not only restored in the world to what it had been before the great war but also exceeded it, and world trade followed suit. When the European currencies had again become stabilised, about 1926-27, the volume of world trade actually showed an increase of about 25% above that of the years prior to the outbreak of the world war.

But the restraint which was being imposed upon the international exchange of commodities was nevertheless becoming more and more oppressive. The main cause was, as we know, that productivity in the manufacturing industries as well as agriculture had not only made extraordinary progress in the world as a whole, during these years, but also undergone remarkable changes as between countries and continents. Industrialisation had made gigantic progress in the transoceanic countries during the years when the European industrial workers were lying in the trenches and giving their attention to the unproductive work of killing and wounding one

another. Transoceanic agriculture, which had already gone in for exportation to Europe, had likewise been stimulated to its utmost to intensify its capacity of production still more as a result of the falling off in European agriculture during those years and the enormous consumption of foodstuffs for the requirements of armies of millions. After the conclusion of the world war the manufacturing industries as well as the agriculture of Europe had to compete more keenly than ever before for markets for their goods. The breaking up of large, uniform markets into small units as a result of the peace treaties created new customs barriers—as far as Europe is concerned they are estimated to be 11,000 kilometres—and these new barriers made it still more difficult to apply economically the new methods of mass production, which were based on an increased use of machinery and less manual labour to each machine. In spite of an increase in the volume of production in practically all countries this led to continuous mass unemployment. This has been the most characteristic feature of the entire post-war period. It has been a source of economic as well as social disturbances which have not yet run their course.

It was only at a relatively late date, however, that it became quite apparent which direction developments had taken as a result of the above mentioned factors in world economy. We need only bear in mind how representatives of all the leading nations of the world met at Geneva, in the same year as the International Co-operative Alliance foregathered in its Congress in Stockholm, for the World Economic Conference which was looked forward to with such keen anticipation and hopes. Notwithstanding the fact that it was evident to every attentive observer that a nation's desire to remove tariff barriers was much greater when it applied to those of other nations than to its own, great hopes were still entertained for freer international trade after the adoption of the resolutions of the Geneva Conference with their general recommendation of a lowering of the tariff barriers. International Co-operation was also given an opportunity to make its voice heard at the Geneva Conference, and one of its delegates, Mr. E. Poisson, Vice-President of the I.C.A., gave expression to his hopes regarding the international co-operation which has been inaugurated, in the following words: "We must not forget that the object stated by the Council of the League of Nations at the moment of its convocation was the work for the general prosperity, and to serve the cause of peace, peace being itself a result of general prosperity. No doubt this aim has, in a great measure, succeeded. An atmosphere of cordiality and fraternity reigned. One began to think 'internationally,' and the prevailing characteristic was goodwill and an endeavour to find a solution to the problems presented. The resolutions adopted all tended to increase the economic ties between nations and to remove all the barriers which could hinder their intercourse." These words were by no means

the utterance of some over-wrought opinion peculiar to the speaker, but were in full agreement with the hopes which every person then considered he was entitled to hold. It was believed in all countries that the practical result of the recommendations of the Geneva Conference would be a lowering of the tariff barriers, a real reduction of tariffs. Thus, as far as Great Britain was concerned, we read the following really promising message in the world's leading financial journal :

“ As to the general policy of Great Britain,” ‘ The Economist ’ wrote on June 18th, 1927, “ there can be no possible doubt. No government to whom is entrusted responsibility for the welfare of Great Britain would deliberately let slip any opportunity for securing the removal of obstructions to trade. Whatever arguments may be brought forward for artificial methods for stimulating our home market, protectionists and free traders alike would be agreed that much the quickest and most direct route to the recovery of our depressed industrial districts, as well as to the expansion of our commerce and shipping, would be by an enlargement of foreign trade. On this central theme of the Conference there is no room for two opinions.”

But the very next few years produced rather serious disappointments for those who had hoped that the trade barriers would be successively removed in consequence of the work of the Geneva Conference. The only practical result of the Geneva Conference, apart from the general recommendation in favour of lower tariff barriers, viz., the agreement for the abolition of the import prohibitions remaining from the war, contingents and import licence systems—the aim of which was to let the customs tariff become the sole means of regulating international trade—was never ratified by several of the countries leading in world trade. The continuation conferences which were convened on the initiative of the Advisory Economic Committee in 1929-30 discussed new possibilities of bringing about a reduction of the customs level when it had been found practically impossible to attain this result by means of an international convention comprising all countries. The attempts to arrive at a result by means of group agreements (bi-lateral and multi-lateral agreements) embracing those countries which were in favour of a reduction of tariffs, or at least for a pause in the raising of duties (the Ouchy and Oslo Conventions) have encountered the serious obstacle called the “ most favoured nation treatment clause.” This clause was formerly the principal means in the general dissemination of free trade tendencies. By means of it the benefits and reduction of customs duties which the countries in such a group grant one another become automatically transferred to all other outside countries which have most favoured nation treaties with the parties, but without those outside countries having to make any concession on their part. The difficulty of

finding a means for a more general reduction of tariffs along those lines or by trying to lower the duties for special goods or groups of merchandise soon became so palpably overwhelming that the attempts of the different countries to do so soon came to nothing.

When the slump of 1930 came, there only remained a few insignificant fragments of the programme of the future, which was awaited with such keen expectations in 1927—removal of all trade barriers except customs duties and the gradual reduction of these to the lowest possible minimum so as to give rise to a new world of joint international efforts from out of the wild swell caused by the upheavals of the war and post-war years. During all those years since the close of the war, when endeavours were being made internationally to lower trade barriers, every country had been conducting its own tariff policy without any regard to any of those international ideals. In many instances the tariffs had been raised so as to be well supplied with objects of compensation when the general international reduction of customs duties, which everyone was speaking of, would begin. Of fifteen larger European countries only six had, during the period 1925-1929, made such tariff reductions that the general level of protective tariffs had been lowered—between 5% and 43%—while nine countries had instead raised their tariffs—by from 4% to 112%. It is true that the volume of world trade had also risen during those years as a result of the general boom in trade, but the increase, which in figures was as high as 27% reckoned as from 1913, was nevertheless not sufficient to allow a free outlet to the general increase in production. When adding to it the effects of the formation and activities of the monopolistic trusts and cartels in different countries, this rise in the tariff level caused such an increase in the cost of goods that stocks could not be sold, but accumulated and led to a collapse of unprecedented dimensions.

The last traces of all attempts which have been made since 1919 and up to the Geneva Conference, to lower tariffs have not only disappeared with the continued development of the world crisis but also the methods known from the world war of putting obstacles in the way of trade interchange between countries have been reintroduced and supplemented by new, ingenious methods with the same object, so that it may be said at present that the actual level of the tariffs, however considerable this may be (and in view of the fact that countries with specific tariffs have had these automatically raised by about 30% as a result of the fall in world prices), is a factor of minor importance in comparison with trade barriers of other kinds. It is well known how measures were first adopted to increase the permanent tariffs and introduce new ones, from different motives with a view to obtaining protection from currency “dumping by means of depreciated currencies” on the part of those countries which had gone off the gold standard, etc. The United States of America introduced a new, increased customs

tariff in 1930. Germany carried out during 1929 and 1930 a comprehensive programme of customs amendments for the protection of her agriculture. In 1931 Great Britain decided upon a definite change in her traditional policy of free trade with its century-old foundation in British ways of thinking and adopted instead a protectionist system, introducing a number of duties which were clearly intended to be protective. Then by the Ottawa Agreements of 1932 she gave numerous advantages to the Dominions and other members of the British Empire, thereby shutting out other countries from her markets. These are a few examples of the wave of tariff raising which swept over the world immediately after the crisis set in.

Since a number of countries abandoned the gold standard at the beginning of the autumn of 1931, the remaining gold countries have (as has already been mentioned) taken steps to introduce tariffs or increase customs duties which are specially aimed against importation from those countries belonging to the former group. A beginning was made by France, when in November 1931 she introduced additional tariffs of varying size, as a rule 15% *ad valorem*, on imports from a number of countries with depreciated currencies. All these increased tariffs and customs duties have yet by no means had the deadly effect upon the exchange of commodities that other obstructive measures have had. The contingent system, i.e., the fixture of definite quantities of goods which may be imported from each separate country into another, comprises so drastic a restriction of imports that scarcely any tariffs in the world can have such an effect. This system helps to strangle the exchange of commodities and to increase the economic isolation of nations in a fatal manner, whether it be adopted as a coercive means in a commercial policy, as a measure of retaliation against other countries or with a view to regulating imports as a link in a system of economic "planning" introduced during the crisis. It was chiefly developed in practice in the years 1931 and 1932 (France and Switzerland), and has since been adopted by a number of countries, also in conjunction with formal bi-lateral treaties (Poland, Turkey, Latvia, etc.). A method of regulating imports which was closely allied with the contingent system was applied at the same time by other countries, viz., continuous control over, and restriction of, imports in conjunction with a grant of licences, without, it is true, stipulating the quantities of goods of different categories to be imported into each country. Then, finally, the work was crowned by the system of regulating imports by central rationing of currencies to importers for payment of imports. This began to be practised about the same time, or somewhat later, in different countries. A definitely free trade country like Denmark thus became transformed in a trice and without any great change in her customs tariffs into a "closed area." It may be stated as a general opinion that no measures have done international trade and commerce greater damage than

the rationing of currency which has been effected in a number of European and non-European countries. It is true, that it has, in the first place, been dictated from monetary motives (endeavours to maintain stability of currency), but has apart from that also been adopted as an offensive weapon in commercial politics.

If to all these measures intended to shut off the circulation of goods among the various countries we add the fact that persons are also being prevented in a higher degree than ever before from moving freely from one country to another by numerous rules and regulations, we get a still clearer picture of a world which has in recent years more and more consistently and decisively turned away from its ideals of international intercourse and adopted other standards for its economic policy. It was shown in a review by the German Institute for Business Trend Research published in 1932 that the recently introduced trade barriers, national isolation and everybody's war against everybody already then had spread to such an extent that we might well be justified in speaking of a formal commercial world war. When the industrial countries, out of consideration for the development of their own agriculture, decided to restrict the importation of agricultural products, the agricultural countries retaliated by introducing similar measures for industrial products. The offensive measures of the one country have made others introduce defensive trade restrictions. Very few countries indeed have been cold-blooded enough to try to remain unaffected as long as ever possible. Import prohibitions, import monopolies, contingents, coercive regulations for the use of home products (regulating direct consumption in a number of countries, such as prescriptions for the flour-mills to use a certain percentage of home-grown grain when making flour, an absolute novelty in the present world crisis), new duties and increased duties as well as other similar measures, such as "import taxes," "import fees," and rationing of currencies had formed a flood of restrictions which inundated the world. No fewer than 15 countries had in 1932 introduced currency rationing measures, 9 countries had adopted complete imports prohibitions for large or small groups of merchandise, 10 countries a system of import licences, 10 countries direct regulation of consumption with a view to furthering the sale of home products in preference to imported ones, 3 countries import fees or import taxes and, finally, 52 countries special duties on imports from countries with depreciated currencies, other new duties or increased tariffs directed against competition from countries where currencies were depreciated or other abnormal factors ruled. An economic journal wrote at the time that the simplest way of counting up those countries would be by reproducing the list of members of the League of Nations, that is to say all those who had subscribed to all of the international free trade resolutions of recent years, and by adding to that a few other countries. While the list of a few countries only included financial tariffs which have been

newly introduced or increased, that of others actually included the entire customs tariff or the greater part thereof. And the increases in customs duties varied in size from 4% to 400 %.

Illuminating facts such as these—when it must also be borne in mind that during the two years which have passed since 1932 trade barriers have been further extended—show clearly that the ideal of free and unfettered international exchange of commodities has practically suffered a complete shipwreck. This is also confirmed by available statistics of the actual development of world trade. According to the statistics of the Economic Section of the League of Nations the value of world trade, estimated in gold dollars, was in 1933 only about one-third of the same value during the boom year of 1928/29. The world price level, calculated in gold, has, however, been on the downward trend during these years, so that the falling-off in uniform monetary value is not quite so great. Even the most optimistic calculations of the real volume of world trade during 1933 seldom exceed 50% of the volume of 1928/29, which latter was still insufficient to permit of free expansion to production at that time.

If we take the quantity of world trade for 1929 as being 100, it fell in 1930 to 93, in 1931 to 84, and in 1932 to 73. As, however, the remaining part in an ever increasing degree is represented by heavier and comparatively cheaper bulk-goods, such as coal, iron ore, etc., these figures, elaborated by the Economic Section of the League of Nations, also afford evidence of the enormous importance the falling-off in world trade has had for world unemployment. The International Labour Office estimated this, as early as the end of 1931, at 20-25 million breadwinners and wrote in this connection: "It is a depressing deduction from this estimate that some 60 to 70 million persons, mainly in the highly developed and richer countries of the world, are deprived of the means of existence arising from their own activity or that of those on whom they are dependent." During 1932 unemployment rose still further and only began to fall in 1933.

Thus it cannot be denied that the hopes of bright, peaceful times with accompanying prospects of securing steadily increasing harvests from the multifarious resources of the earth and human labour with the help of brotherly collaboration between the nations, hopes which were entertained in the ranks of co-operators at the close of the world war, have been largely disappointed. Stark reality is showing its face everywhere. Factories running at half their capacity or not at all, idle harbour cranes, idle tonnage, embittered struggles against depression have until quite recently been the main features in the picture of economic life which meets our glance in all countries. It is true that during the past year production has again made progress in several countries and that the institutes of the world for the research of trade and business conditions promise us a period of new prosperity. We dare not, however, entirely give ourselves up to

the hope that the improvement is going to last, but at the back of all such hopes there is the ghost of a new threatening slump. Above all we cannot help noticing that, although the index series which are published for the volume of world production show a steady increase since the turning-point in the autumn of 1932, the corresponding index for the volume of world trade still indicates stagnation, or a continued decline. It is to be feared that this indicates that a limit will soon be put to the upward tendency of production. If goods are produced in an increasing volume, but ever increasing restrictions and isolating measures prevent their reaching their natural places of consumption on the world's markets, the result can only be one of two alternatives, viz., there will either be a new accumulation of goods which cannot be sold and a new crisis of over-production will set in, or else production will not be allowed to exceed a restricted consumption. The standard of living is bound to decline in a corresponding degree to that in which the general capacity to buy or the manufacture of articles of consumption is restricted in this manner in the respective countries.

It is extremely difficult to judge how far and consistently present developments will continue. From certain points of view the limit for the shrinkage capacity of the exchange of commodities would appear to have been reached, as the imports of a number of countries have been reduced to comprise the most necessary raw materials and other necessities of the manufacturing industries and in some countries even the imports of such articles have been reduced or stopped, with the result that, as in the serious dearth of products during the great war, substitutes have to be found, however paradoxical this may sound in a world situation which shows us a picture of greatly increased productivity in respect of the output of raw materials and extensive accumulation of stocks of all kinds of raw materials. It is hardly likely, however, that during the next few years at least world trade will be speeded up to any great extent, even if there may be a change in the general ways of thinking. It takes time to abolish the present isolating measures and to open up the closed channels of world trade. If, on the other hand, it should be the case that the idea of free trade which reigned supreme in the economic world of thought throughout the past century should have definitely lost its hold upon peoples minds, then it will obviously take time to reconstruct the world's exchange of commodities on other lines, i.e., an exchange to take the forms which will be drawn up according to the principles adopted by each different country. Countries which have more or less completely and consistently adopted a system of economic "planning," including a centralised control of production, can and must base this system on an exchange of commodities with other countries, but this exchange must obviously emanate from entirely different conditions from those which have hitherto applied. Instead of an exchange of commodities dictated by an international division of labour according to the

principle of cost (goods are, on the whole, produced where they are cheapest), we shall get an exchange of commodities dictated by the desires of the different countries to realise their national economic "plans" without real regard to costs, as is the case, for example, with the Soviet exports.

We may in all circumstances rest assured that the idea of national self-support which aims at the transformation of the individual countries into more or less isolated industrial and commercial units, has made rapid progress since the present crisis set in. Systematic endeavours to further "autarchy" may be observed at close quarters in nearly all countries and are at present preventing the regular expansion of the world's market. Behind these strivings there are obviously different ideologies of a political and social character, a number of which have not yet left the melting pot. In several instances they are intimately connected with the attempts of capitalistic monopolies to extend the potentialities for their operations. In others, again, they are due to more or less clearly conceived social aims or elements of economic "planning" drawn up from a social point of view. In several cases these ideologies show a more or less distinctly anti-democratic character; in others, on the other hand, they are sustained by a wide-spread desire among the broad masses of the people to try to find rescue and relief from the trials and plights of the economic world crisis. They have also in several instances been influenced by nationalistic ideas in other spheres than the purely autarkic, being connected with strivings for territorial expansion and augmented national power in the world's affairs either in order to obtain expansion for a growing population by colonisation or by economic amalgamation to succeed in extending the markets for sale of their industrial and other products.

We have thus been in a position recently to observe how there has been a distinct change in opinions regarding the economic collaboration of the nations of the world. Unfortunately we can at present only characterize developments in the field of foreign trade and fiscal policy as indicating increased isolation in the future. If we have, as briefly described in the foregoing, witnessed in how relatively short a time the transformation took place, we need not, however, give up all hope of a change in the opposite direction. It is obvious that the consequences of present developments imply a lowering of the standard of living which is in no way called for by the productive capacity of the world. These truths have not yet become evident to those who will have to suffer in this respect, but only to those political economists who have made a special study of the question. When it, however, becomes apparent to the peoples of the different countries what this new order of things implies—that they will have to do without part of their daily supplies—there may be a change in public opinion. In spite of the ground gained by economic nationalism we therefore may not have reason

to view the future too pessimistically. National isolation is, it is true, the slogan of the day, and more and more nations believe that they can only attain salvation within the limited framework of their own domestic economic life. It is an indisputable fact, however, that no nation can reach a position of increased prosperity and higher material and cultural advancement at the cost of other countries. Developments in the world of to-day inexorably point towards an increased dependence upon one another, and the strong inherent urge of these developments will ruthlessly sweep away the barriers which are now being raised between one country and another, however high they may be. The only question is how long it is going to take to realise this and in what way this insight is to be gained.

I must emphasise in this respect the very important part our Movement is playing in carrying out a true, international economic system. Co-operation implies by its very essence free intercourse between the peoples of the world and by means of its international organs co-operation is working indefatigably in all countries for the establishment of real international co-operative economy. The President of the Alliance emphasised this fact in an admirable manner in his opening address at the Vienna Congress: "The more the world economy of to-day is examined in various countries and the more its deficiencies are detected, the clearer it becomes that this (the creation of international co-operative economy) is an inevitable task arising from the conditions which obtain to-day." By its endeavours to further international intercourse within the framework of co-operation the I.C.A. is doing work which cannot be too highly valued. Co-operation in all countries is decidedly of the opinion that the only enduring way in which to maintain the peace of the world is by bringing the nations closer together in all spheres of cultural and economic activities and thus inducing them to be of real assistance to one another. International Co-operation is, therefore, doubly convinced that furtherance of the international exchange of commodities to the greatest possible extent is necessary, not only in order to attain the highest possible general prosperity but also for the maintenance of economic and political peace. When the world's co-operators last met at the International Congress in Vienna, in 1930, this view found expression in the resolution which was unanimously adopted and in which it is stated that "The fifty-six millions of consumers, organized in the International Co-operative Alliance, reaffirm their faith in the principle of unrestricted freedom of communication and exchange of goods between all nations, which they consider an essential condition for the economic well-being of all countries, and also for the economic peace of the world." The resolution passed at the Vienna Congress applies in a still higher degree to-day than it did four years ago.

In pointing this out we must not, however, lose sight of the fact that actual developments in most recent years have forced the

co-operators in many countries to adopt a position which seemingly implies opposition to those general lines for the future of world economy unanimously adopted and accepted by the International Co-operative Congresses in their resolutions. Conditions connected with the ground gained by the ideas of national isolation and the disturbances caused generally in these abnormal times have persuaded the countries to take part in this reaction and isolation by building up an economic system even where they are fully convinced that economic co-operation with other countries is in the long run an important condition for the maintenance and improvement of their own well-being. Many members of the Co-operative Movement have been appointed to important posts connected with economic "planning" in different countries. In this capacity they have often been obliged to co-operate in planning and carrying out measures which meant shutting off their own country from its economic connections with other countries. The Co-operative Movement as a whole has been obliged in several countries to adopt an attitude towards the abnormal measures which have been introduced mainly with a view to regulating and furthering home production. The question has been broached in many countries whether it is correct that the national Co-operative Movement should, as it has done, contribute towards a "favouring" of the economic life in its own country. It is perfectly clear, however, that the Co-operative Movement, which is an economic movement and represents a larger or smaller section of the entire industrial life within its own boundaries, cannot evade collaboration with the State authorities in so far as these demand help on the part of co-operation. No other procedure can possibly be adopted in a democratic country, if the country is to survive a crisis with unimpaired powers and unity. If far-reaching State measures in the economic sphere have been decided upon in a democratic country this usually implies that a very large majority of the population have expressed their approval of the measures in question. If the Co-operative Movements in such countries should adopt, through their organs, an attitude in opposition to such State intervention on grounds of principle and ideology, the practical working capacity of the Co-operative Movement would be considerably reduced. It would then be unable to avoid the adoption of purely political attitudes. This again would imply that co-operation had surrendered its time-honoured principle of neutrality, as this naturally means not only that co-operation shall be neutral in the political discussions and debates which precede the adoption of a certain economic policy or certain general economic lines, but also when it applies to the application by the State authorities of those measures and intervention which have been passed by Parliamentary procedure in the usual manner in accordance with these general economic lines. This we might call, if we choose, "neutrality towards the State." The right of citizens to criticise the measures

taken, and to call for a change in economic policy on new, general lines should be checked by those political organisations to which the citizens of democratic countries belong of their own free will. The questions whether increased national self-support is desirable or not, whether in a certain sphere protection should be introduced for home production as against foreign production or not, etc., are, as far as the practical debate is concerned, mainly of a political nature. Co-operation is naturally not prohibited from ventilating the principles of such questions in its general work of enlightenment, so that the Movement can help its members to take their decisions in such important economic questions with clear and unbiassed minds. It cannot, however, take steps to try and influence the attitude of the general public towards political questions of the day in one direction or another.

If, however, the legislators in a democratic country have decided upon a measure, the Co-operative Organisations are not only obliged to refrain from undermining the efficacy of it, but also loyally to give their support in carrying it into effect as demanded by the State authorities. The Co-operative Movement, which comprises important sections of the population, occupies quite a different position from private enterprises. By reason of its character of an economic movement working in the interests of the people as a whole co-operation is inherently obliged to utilize its position in such a manner that it will not be to the detriment of national economic life as a whole. For the private business-man there may be a conflict between his private economic interests and public interests, i.e., he can allow his own will and his own opinion to find expression in conduct which he knows to be detrimental to large groups of the population. Formally he is under the same obligation as co-operation to obey laws and ordinances; the incentives which decide the spirit in which he does it must, however, differ from those of the Co-operative Organisations. In many countries if the Consumers' Co-operative Organisations should choose to oppose the measures passed by the State authorities these organisations would be incapable of fulfilling their main object, which is to assist their members by assuring them of their livelihood at the lowest possible prices by rational organisation. The State measures adopted in many countries are naturally of such a kind that they involve higher prices on certain articles for the consumer. This, for example, is what has happened in regard to many of the measures which have been staged in order to increase the income of agricultural populations, as in the sugar industry in France, Germany, Denmark and Sweden. And again in the cultivation of cereals in most European countries, where the production, exportation and importation of cereals are regulated with a view to rendering it possible to give the farmers a price for their products which will enable them to maintain their production and get a

reasonable return for it. The only thing for consumers' co-operation to do, when it is a question of carrying out such restrictive measures, is to offer its experience in arranging rational channels of marketing and organisation of the sale of the products, on the one hand, so that the farmers will be able to get as much as possible of the prices which they have been guaranteed, and, on the other hand, helping to see that the price to consumers is not raised more than necessary. Should the Consumers' Organisations refuse or only reluctantly agree to co-operate, this would undoubtedly result in the consumers being charged proportionately more than is stipulated by the legal decisions of the authorities.

This argumentation can undoubtedly be regarded in many quarters as being too obviously a truism to call for further attention. It seems of importance to me, however, that we should carefully reconsider these circumstances against the background of the chaotic conditions which have been created by the world crisis; for if co-operators should conduct a policy in opposition to those rather natural conclusions, there is no doubt that it would result in the breaking up of the Co-operative Organisations or a marked falling-off in their efficiency. Political strife would then become rampant in the ranks of co-operation, discord would arise and the Consumers' Organisations would more or less lose their power of working for the good of the consumers. The adoption of an attitude by co-operation on these lines is, as a matter of fact, in full agreement with the fundamental principle of co-operation in general in respect of the maintenance of full and unrestricted democracy. Within the community as a whole the democratic principle can only be interpreted as meaning that a minority must be guided by the majority and that the majority does not abuse its power, but in deciding upon measures pays due regard to the minority. The existence of democracy is endangered where democratic power is exercised according to other rules. In co-operation the practical application of the rule of democracy implies, when it refers to the adoption of an attitude in effecting economic state measures, that co-operation should loyally contribute its collaboration also because there is good reason to suppose that the distribution between majority and minority which has found expression in the political settlement is, in its main features, the same as among the members of National Co-operative Organisations. The more co-operation comes to comprise the nation as a whole, the more does its structure agree with that of the entire nation in respect of political and social inclinations. If the Movement does not pay regard to what can unite all of its members, but adopts an attitude in matters of important public politics in opposition to the interests and general opinion of a large part of the Movement, then it is impossible, especially in times of crises, to rally it to such an action in purely co-operative affairs as will result in the greatest possible benefit for the members and likely to further the Movement.

So far we have spoken of conditions in the countries where democracy reigns. In the democratic countries the Co-operative Movement must adapt itself intelligently so as to contribute to the best result being procured from the political decisions which have been taken, and from the State measures which are introduced on the basis of the will of the majority of the nation. In countries where political and social democracy are not yet fully developed or where democracy has been suppressed, co-operation is simply forced to submit to the state measures which are adopted by the powers that be. It would however seem as if here, too, the Co-operative Movement would derive the greatest benefit for its members by energetically trying to secure a firmer footing for Co-operative Organisation and Co-operative Principles of distribution within the framework of the place assigned to it in the economic life of such nations. The circumstance that co-operation can be forced to occupy an insignificant position and to work under special difficulties arising from obstructive control on the part of the State should not mislead us in other countries to identify it with the autocratic State authorities or, as a matter of fact, confuse our attitude towards the political ideas represented by those authorities with our attitude towards the Co-operative Movement in such a country.

I should like to sum up what has been said above in a definite interpretation of the idea of co-operative neutrality. This idea should be considered to imply that the Co-operative Movement not only refrains from systematic attempts to influence the attitude adopted by its members while the great political questions are at a preparatory stage, but also that once political debate has resulted in measures on the part of the State executive, the Co-operative Movement loyally adapts itself to such decisions and tries to give its collaboration to all practical measures. By doing so it safeguards the interests of the consumers and tries to maintain and further the advancement and influence of consumers' co-operation also under the new conditions which obtain. Co-operation is a part of the entire economic life of a country and cannot refrain from co-operating therein if it is to maintain its strength and health. This obligation naturally does not mean that its actions are to be purely mechanical or automatic. On the contrary co-operation, just on account of its neutrality, is under obligation in dealing with questions of importance for the consumers to express its opinion, to give objectively to the State authorities and to public opinion of its experience gained in the course of its daily work, and give free expression to its opinion of the result which it considers may be expected from a certain measure that it is proposed to introduce. The more loyal the collaboration given by Co-operation to the State on previous occasions, the greater respect may generally be expected for an objective and well-grounded opinion expressed in this manner. Even if a question should, however, be solved in a

direction other than that which the Co-operative Movement has considered best, this does not entitle the Movement to endeavour to obstruct its realisation. I do not think that such an interpretation of the conception of neutrality is likely to foster apathy and indifference among the members of co-operation in the safeguarding of their rights as citizens when forming their political opinions and engaging in politics. If a person has studied the developments of political life in different countries at different periods and seen how easily large sections of the community can move from one party to another under the influence of propaganda availing itself of the gigantic resources of modern times in this respect, change their political party because of some change in conditions, external or internal, and sharply condemn what they recently praised, then it will be clearly understood that co-operation cannot rally the majority in a community by siding with the political views of the day of any certain party. If it is to be of any real use then it must be quite unpolitical and concentrate exclusively upon its mission in the economic life of the country.

I have outlined here certain views on the attitude of co-operation towards the community as a political organisation and found that this attitude should be neutral in the widest sense of this word. We must insist upon co-operation being a movement with its activities in the economic sphere. It can only attain full maturity in so far as it restricts that activity to that sphere in a clear and purposeful manner. If we look upon co-operation as a part of the economic life in each separate country, we can also imagine that co-operation may come to fulfil more and more extensive economic missions, partly along new organisatory lines. In those countries where co-operation has obtained a firm footing with large economic resources, it may be called upon to solve, in collaboration with other forms of enterprise, questions which demand united forces for their effectuation. It may be imagined, for example, that a certain country wishes to build up an industry which has not yet been able to gain a foothold within the boundaries of that country. This in keeping with the laws of mass production and minimum costs, must be done on a very large scale so as to render the best service to the consumers of the country, i.e., by supplying as large a section of the population as possible with goods of the kind in question at the lowest possible price. In other words, the co-operatively organised market in a country is at a certain moment too small to enable the building up of a really competitive enterprise on this basis alone. This applies especially to the small countries, but can naturally also apply to special kinds of products in larger ones. In such a case co-operation should not stand aloof from collaboration, rather the contrary when by doing so the interests of the organized consumers of co-operation and of the economic life of the nation as a whole will be served. I said just now that by doing so co-operative initiative would find scope for lines of development

which are partly new. The idea is far from new to co-operation, as we have for many years pleaded in the International Alliance and in different countries for common action and collaboration between the farmers' producer-co-operation on the one hand and consumers' co-operation on the other hand. In this sphere consumers' co-operation, as I will go further into a little later, can be of great importance in helping the farmers to secure better economic conditions of life by creating possibilities for direct connections between producers of farm produce and the consumers and also by creating joint enterprises. Attempts at such joint enterprises have already been made in several countries and have given favourable and lasting results. The consumers' organisations already co-operate with the industries of the country as a whole as intermediary for getting the products of those industries to the consumers and, to some extent, as purveyor of working materials and requisites to the industrial concerns. An expansion of this collaboration is advisable in every respect and should at any rate be arranged so that it results in the intended benefits to the consumers in general in the form of as cheap goods as possible. This cannot be done unless co-operation takes an active interest in it and tries to draw up clearly the principles and lines on which extended collaboration is possible in practice, on the one hand, and to see that the basic principles of co-operation are effectively safeguarded, on the other hand. It is also desirable that consumers' co-operation, where it is strong, should support and assist other forms of co-operative activity, e.g., purchasing organisations for artisans, such as tailors, shoemakers, etc. It should endeavour, in collaboration with them on the true lines of co-operation, to further and arrange their sales so as to avoid losses as much as possible.

When I previously emphasized that all such extended collaboration should be arranged in such a manner that the basic co-operative principles be safeguarded, I also clearly meant that there is a decided difference between this collaboration on the one hand and, on the other, the united efforts which are being realised by industrial concerns in certain industries in every separate country, or for the world as a whole, with a view to forcing up prices in an artificial manner. The collaboration in which co-operation can engage and continue to give its support can only be such as that in which co-operation can assert its strength in order to safeguard the interests of consumers and the working people. I have already indicated above the practical economic lines along which such co-operation should be arranged. It is a fact that the possibilities of producing goods at low prices have increased in a remarkable degree, especially during the period since the close of the great war in conjunction with the revolutionising advances made in technique and labour organisation and also by improved technical methods and by the application of the discoveries of natural science in agriculture, fishing and other branches of industry. Modern mass production in industry calls

for concentration, a co-ordination of forces in the actual manufacture and, besides, the largest possible markets. If the costs of production in a certain industry can be lowered to a considerable extent by its being able to produce for the majority of the consumers in the country instead of for a limited section thereof, the Co-operative Movement has no reason to refuse to participate in such joint concern. This can only be done, however, on condition that co-operation has sufficient influence over the joint concern to guarantee that the reduction of costs is not merely regarded as a means of raising the profit, but that this profit be passed on to the consumers in the form of lower priced goods from the factories. A proper part of the control of such joint concerns and their management in the hands of co-operation is therefore indispensable. There are many different ways in which we may imagine such collaboration. This, however, is not the place to enter upon the different possibilities it is only to point out the possibilities which exist for the future.

The advantages arising from the enormous progress made in industrial productivity during the past few years do not, however, appear as actual gains to national economic life in its entirety at the moment the products leave the last machine in the factory at a low final manufacturing price. If the reduction in costs is to benefit national economic life as a whole then we must have the same rationalisation in the distribution of goods as we have had in their manufacture. What is the good of technical progress if the consumers in the last instance do not simultaneously participate in it? If the prices which the consumers have to pay are not reduced at the same time as the cost of manufacture or when the prices of raw materials fall, then the exertions spent on the technical side may easily mean fewer opportunities for work, a reduction of labour income which forms the ultimate basis of the purchasing power of the market. Co-operation has and will always have a great mission when it comes to applying the reduction in technical costs to the benefit of the broad masses of consumers. It has proved by all the principles it has adopted and by its practical work that an unconditional qualification for an improved standard of living is that the consumers are allowed to participate in the advantages of the technical improvements and that this development is not delayed by cartels of manufacturers, wholesalers and retailers. Giving the consumers the advantages of the reduction in costs, i.e., adapting the selling prices to the prices of raw materials and manufacturing costs, implies not only that more people can be given employment in the actual manufacture in spite of the proportionately lower requirement of manual labour, but also that more people can be employed in the distribution of the goods and other branches connected therewith, as the aggregate quantity of products on the market steadily increases and calls for more and more intermediary channels. Successful work on the part of consumers' co-operation in its endeavours to pass on the advantages of lower costs in industry

to the consumers in an easy and pliable manner therefore also means, as a rule, increased employment and better conditions for those who are employed in other branches of distribution. An increase in the retail prices in relation to the production costs of goods naturally implies, on the other hand, a decreased consumption and consequently also reduced employment not only for those who are connected with production, but also for those who have charge of the distribution.

It is a matter of regret that neither the producers nor the distributors in general appreciate this fundamental truth, viz., that as the costs which are added to the goods between the producer and consumer decrease the possibilities of steady and remunerative employment also increase. On the contrary quite a number of producers believe that they can, in the long run, make more money by maintaining high prices and persuading the middlemen to assist in this respect by offering them high profits. This was, for example, the case with the golosh cartel in Sweden. It granted agents and wholesale dealers as well as retailers considerable compensation for maintaining the retail price fixed by the manufacturers. We see in more and more countries how manufacturers, wholesalers and retailers have formed their separate organisations in order to strengthen their hands in getting the largest possible share of the total selling price of goods. This can only mean that the retail prices of goods show a steady inclination to increase. The attitude of private trade towards the question of distributing goods is undergoing a change in principle, as the different stages of distribution and the enterprises engaged in them no longer compete for the distribution of industrial products at the lowest possible prices. Instead of this there has arisen what the German commercial economists call "the rebate idea" ("das Rabattdenken"). This means that the psychology of the merchants is unconsciously but undeniably taken up with the idea of mutual benefits which take the form of rebates and other forms of compensation for the services of the distributors. This new psychological feature has even in certain countries become embodied in the law of the land. Before the last revolution in Germany every manufacturer had the right to fix the retail prices he considered suitable for his goods. The cartel tribunal ("Kartellgericht") watched over what were called his interests. Even if a manufacturer—as is known to have happened—fixed the gross price so that it gave the middlemen a profit of 300 per cent. on the price at which he was able to purchase the goods, the middleman who sold the products cheaper than the affixed price was stamped as a criminal by the cartel law. In a number of other countries, e.g., Sweden, co-operation especially has with such rigour and consistence maintained the point of view that the retail price of an article may, and should be, fixed by each distributor out of regard to the real expenses which he has had for his actual services in distributing the goods that the interpretation

of the right to competition between different distributors and forms of distribution has at least not been declared criminal by law. Co-operation has maintained real competition in important branches and thus permitted rationalisation both in production and distribution to come by its own. By doing so producers and the actual consumers have been saved considerable amounts of money every year. The co-operative factories in the milling, golosh, margarine and electric bulb industries have forced their competitors, belonging to national and international cartels, continuously to modernise their methods of manufacture, lower costs and allow this lowering of costs to find expression in the respective manufacturing prices. The co-operative distributing apparatus in Sweden has not only as regards these products, but also in respect of other groups of merchandise, maintained competition with other forms of distribution by taking the lead in a pronounced rationalisation of their commercial technique. By means of experiments they have discovered newer and more efficient methods of getting the goods from the producer to the consumer, and on the distributing side there has also been shown initiative with a view to reducing industrial costs. As a result of this competition it has also been possible to bring about greater uniformity in taste and harmony in consumption and consequently has reduced the number of types of products in important groups. This has not only led to cheap distribution but also to a more pronounced and cheaper mass production than previously. I have now been dealing with conditions in Sweden, with which I am most intimately acquainted, but the same tendencies are generally supposed to apply to most other countries. Developments have so far shown that order and organisation can be of great use in supplying the market with goods and that organised markets make it possible to reduce costs, which unsystematic competition between small enterprises cannot do. But it has also clearly shown that those strivings to organise must emanate from the standpoint of the consumers' interests, not from the profiteering middlemen of commerce or from monopolistic organisations in industry. Initiatives taken by these latter only benefit developments in a very roundabout fashion and after a great waste of energy in the economic life of a country.

The demand for lower costs during the depression and the increased competitive capacity resulting from rationalisation brought about by competition between the various forms of enterprise in production and distribution has palpably helped to restore the balance in several countries after the perturbations of the crisis. This has been publicly expressed in Sweden by theoretical political economists as well as practical businessmen not connected with the Co-operative Movement. There is no doubt that the recovery in economic life as a whole has been distinctly accelerated in a number of countries by adapting the retail prices to the fall in the price of raw materials and the reduction in the costs of manufacture. This again has

naturally encountered especial difficulties in such countries where the general policy of the authorities has mainly had in view a raising of the prices of products. Notwithstanding this, as I have mentioned above, the loyal collaboration of co-operation with the authorities in instances of such a regulation of production prices has been most beneficial in keeping these difficulties within reasonable limits and in seeing that the retail prices at least did not rise in a proportionately higher degree than the producers' prices. In other countries again, where it was not considered sufficient to try to raise the producers' prices but also endeavours were made by means of legislation or other State measures to dictate definite retail prices, Co-operation has not of course been able in any way to lower retail prices or postpone their rising. Its utility has entirely consisted in its being able to refund to the organised buyers of the Co-operative Movement part of the retail prices increased by such State measures. In these last-mentioned countries the State has directly or indirectly supported the formation of monopolistic trusts and cartels by means of its dictated retail prices. Experience of this fixing of prices in retail trade by the State seems to have been so discouraging that it would appear to be abandoned. In the United States, where such fixing of the retail prices seems to have been practised, at least in some branches, in connection with the Code System, it looks as if they now wanted to give it up. This at least means that the strivings of consumers to arrive at rational organisation would now appear to get a better and more important opportunity.

The principle of free competition which, in reality, simply imposed the right to think out and test new systems for the grouping and organisation of producing forces and thus very closely resembles the right which is generally granted to the technical inventor to think out and test new methods for utilising the forces of nature, is therefore obviously still entitled to its place in economic development. It would even seem about to be proclaimed indispensable even in such countries as are opposed in principle to the idea of free and liberal competition. It is significant that it is so-called Free Commerce, i.e., the small dealers engaged in atomistic competition with each other, that is taking a more and more definite stand against the principle of free competition between the different forms of enterprise. The attitude adopted by the small shopkeeper to this question, which is due to his incapacity to free himself from narrow and erroneous views emanating from what he believes to be his private interests, has, as we know, persuaded the legislature in several countries to meet his demands for special legislation against certain forms of distribution. This action is ultimately directed against Co-operation. The small private retailers lay the entire blame for the difficulties they have experienced in maintaining their existence, especially during the years of depression, upon competition from the better organised forms of distribution. As a matter of fact their difficulties are due to unsystematic competition and the

lack of methodical economic collaboration among the small shopkeepers themselves. It has consequently been impossible to discern any improvement among this category of dealers as a result of the exceptional measures passed for this very class. In a country like Switzerland, for example, the prohibition against the extension of large-scale retailing enterprises, which affects all enterprises with more than 4 shops and 10 employees, has had the effect of increasing the number of enterprises which have less than 4 shops and 10 employees. Instead of helping to check an eventual over-expansion of the national retailing apparatus the new law thus seems to contribute to a forced expansion of this apparatus. The expansion is simply being centred in those parts of the distributing organism which are weakest and possess the least vital power. It is clear that the small commercial enterprises look upon the fixing of retail prices as a blessing and a way out of their difficulties, whether this fixing is effected by State measures or by powerful cartels and trusts. They are predestined to show the greatest possible accommodation towards trusts and cartels and to give them such support as they can in their monopolistic price policy. Consumers' co-operation has just for this reason a most important task to perform, wherever conditions otherwise permit, in trying to regulate the prices and to counteract the formation of monopolistic trusts and cartels by all the effective means at its disposal. It is natural that in carrying out this programme Co-operation will in an ever increasing degree have merchants and the monopolised sections of industry against it. There can, however, be no compromise in this domain on the part of Co-operation. Our Movement must be continuously prepared to counteract, by means of its propaganda and its economic work of enlightenment, as well as practical action, the influence upon public opinion from these hostile quarters. Co-operation must naturally also be prepared for these hostile forces in private trade and commerce utilising their connections with political parties to try to prevent the advancement of Co-operation by means of political measures. This, on the other hand, must not entice Co-operation to abandon its political neutrality but instead to try to prepare the ground by means of enlightenment and education for a clearer understanding of the importance of Co-operation among members of all political parties.

The ever increasing prominence which Co-operation has attained, and the increasingly discernible part, which it has come to play outwardly especially during the crisis, as a rationalising factor on the lines which I have now tried to draw up, implies that its position shall not only be of a regulating nature but also of a directly creative nature. The form of organisation which Co-operation represents has already allowed it to make creative contributions, of a purely organisatory character in the distribution of goods. Examples of this are the assembling of a number of local shops under a joint central management and arranging for joint purchase of goods by

districts or countries. Both of these important introductions in the organisation of distribution of goods first appeared in the Consumers' Co-operative Movement (the large Co-operative Societies, Co-operative Wholesale Societies, special purchasing societies for several countries). The keen interest in such new creations affecting business organisation is also apparent in the eagerness with which the statistical-experience of business conducted by consumers' co-operation is collected and published in all countries. It is also apparent in the creative interest in new plans of organisation for solution of special questions relating to co-operative distribution, in connection with the planning of local production, collaboration with the Farmers' Co-operative Producing Societies, etc. Co-operation must, however, also strive to become a pioneer in the technical sphere according as it makes more and more purposeful contributions in the domain of manufacture. Co-operation must make it one of its great aims directly to subsidize science and technics, stimulate inventive genius and other technical advancement as well as propagate for such an organisation in supplying the requirements of the consumers that the general standard of consumption will steadily expand and be raised. The Co-operative Movement has in many countries great financial resources which must also be used to further technical production and general advancement towards prosperity on a higher and wider plane. Co-operation cannot evade the costs entailed by the experimental work which is an integral part of our cultural development and which aims at harnessing the forces of nature and human labour, by means of more practical means of production, with a view to raising the standard of consumption adapted for the general and broad civilisation of mankind. We must not, therefore, think that the aim of Co-operation is to produce what its members require for their daily consumption at a given time. We must realise that new requirements may arise which it is just as important to meet. The Co-operative Movement has, as a matter of fact, always acted accordingly in most countries ever since its origin. If not, consumers' co-operation in Great Britain, for example, would not have felt obliged to begin its own manufactures in practically all modern spheres of production, such as cycles, motor-cars, wireless, but abided by its aim of distributing the few articles of necessity with which the Equitable Pioneers of Rochdale began their activities in their Toad Lane shop. During the years which have passed since then it has become increasingly obvious and understood that Co-operation should not only try to keep pace with but also earnestly strive to take the lead in technical advancement. The more important Co-operation becomes as a factor of economic power in different countries, the more important it is to foster in it a feeling of technical progressiveness in all domains. The experience which has been obtained, for example, in co-operative industrial production in Sweden and which undoubtedly tallies with that from

co-operatively organised production in other countries already seems to afford evidence that technical initiative is quite at home in Co-operation. The claims one so often sees advanced by the champions of "private enterprise," viz., that the "collective forms of enterprise," to wit Co-operation, would in the long run have a restraining effect upon technical development, are scarcely borne out by the real facts.

A short summing-up of what has been said implies that Co-operation in every country should aim at finding ever increasing possibilities to raise its efficiency as a producer of goods, as a buyer of goods and as a distributor of goods. Its sole aim is not to try to adjust abuse of power by those forces which obstruct or hold up by means of an organisation for profit-making, the development of purposefulness in the economic life of the nations. It should also be productive and break new ground both as regards the distribution and manufacture of goods. A number of views have been given above in respect of Co-operation as an industrial producer. A very large number of our necessities are, however, and will continue to be, for as far as we can foresee, products of the very soil, the fruit of its fertility in perpetual and persevering collaboration with human labour. The peculiar nature of this production has resulted in its being carried on as a rule in small holdings in most countries. The farmer is nearly always an independent smallholder, who sees himself to the supply of his implements, tools and other capital equipment and is referred for a living to the profit which he can make on the sale of the products which he brings forth by means of a hard struggle with a meagre soil. The dependence of agricultural production on the whims of nature and climate and the risks of losses connected therewith implies, however, that the farmer as a business man can hardly be placed on the same level as the large-scale industrialist working only for profit, as conditions are in this world of capitalist organisation. His hard (and, in comparison with that of many other members of the community) poorly paid work means—this applies at least to the large class of smallholders who form the nucleus of agriculture the world over—that the profit on the sale of his products may scarcely be considered to be other than wages and a fair compensation for wear and tear of implements and other articles. The societies formed by farmers for marketing their products are very different from those which are formed by large producers in other industries for obtaining larger profits. Where they are established on the principle of free and open membership and on a distribution of the surplus in relation to the extent in which the members make use of the services of the society, they clearly answer all claims for being members of the co-operative system of organisation in the countries of the world. During the most recent crisis the extent and expansion of farmers' co-operative activities showed a marked increase in all countries, their dependence upon private middlemen for marketing of their

products having been correspondingly reduced. This work of organisation has naturally been carried out in the first place in order to improve their own possibilities of existence and to make it possible for agricultural producers to raise the prices of their products by increasing the producing capacity of the agriculturists by means of organisation and to make sales to the producers easier by reason of an improvement in quality and grading. The intention is—this is clear to everybody—to obtain higher prices, i.e., improved incomes for the farmers themselves. The activities of these organisations have, nevertheless, been beneficial to the economic life of the countries as a whole, as agricultural production has been improved in quality and the channels of distribution to the consumers have been shortened. This again means that unnecessary expenses incurred in distribution from the producer to the consumer have been eliminated. These savings have been most striking in a number of instances when it has been possible to establish direct connections between the Producers' Co-operative Societies and the local or central units of Consumers' Co-operation. It is, therefore, of the utmost importance that this work of establishing direct connections between the organisations of consumers and agricultural producers should be extended and gain in strength and stability. The increased rationalisation thus obtained has in several instances made it possible for the consumer to obtain the products at a lower retail price, while the producer has had his producing price raised in spite of this.

The problems which keep cropping up on an ever increasing scale in this respect, as the scope of the farmers' attempts at co-operative organisation extends, are above all problems as to where a suitable line should be drawn between the Producers' and the Consumers' Co-operative Societies in the process of distribution—i.e., to fix exactly where the goods should be taken over by the consumers—and the question of price to be paid by the consumers' organisation. In those countries where the fixing of prices is practically free this latter question is solved, however, by the consumers' organisations consistently meeting the demands of the agricultural organisations for the full market price without any deductions. Thanks to the saving brought about by that part of the co-operative form of organisation of distribution which is in the hands of the Co-operative Agricultural Societies, these latter, when well organised, get considerably higher prices. The saving in expenses is still more effective when large quantities can be marketed at once. This can best be attained just by the close contact with the consumers' organisations. On the other hand in cases where the fixture of prices of certain kinds of agricultural products is not entirely free but restricted by State measures intended to increase the revenue of farmers—a fixture of prices, therefore, by means of political action and as such coming under the play of political forces—the co-operative form of organisation at any rate means a similar

· saving of costs for the farmers in marketing their products. As a saving of costs in one instance means increased possibilities of production in another this again means an increase in the total producing capacity of a country. This political fixture of prices has increased in extent and importance in all countries during the years of depression. It implies, in principle, a policy aiming at a levelling of national income of the same nature as different kinds of taxation, etc. Against this background it can readily become a subject for political debates and controversies. There thus seems to be no reason for Co-operation, as such, to take up any attitude against this political fixture of prices. On the contrary the adoption of an attitude either for or against the current political questions which are connected with this matter might easily be detrimental to the unity which is desirable in Consumers' Co-operation as in every other branch of Co-operation. On the other hand, however, consumers as well as agricultural co-operation might well make an objective study of the economic effects of the political fixture of prices and endeavour to show, firstly, in what degree it fulfils its object, and, secondly, to what extent the same object could be attained by other methods which would entail less sacrifice on the part of national economic life as a whole. It is not denied in any quarter that an increase of the retail price of an article must always tend towards a falling off in the demand for it as long as the public buying capacity in a country is limited. As already mentioned, however, the adoption of a political attitude on the basis of the purely economic study of this important question should be left to the political organisations.

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The general development of Co-operation during the years of the slump unmistakably shows that the Co-operative Movement possesses an innate power which helps it to advance, independent of crises and disturbances, of booms or slumps. We must bear in mind, however, that this innate power has no mystical origin but simply implies the personification of the economic Rochdale Principles of Co-operation. It is certain that at least one of these Principles has been of very great value during the last crisis, which was characterized by considerable upheavals in the monetary system and in the international circulation of capital, by strains on the internal credit structure in the countries of the world and by panics in the world of enterprise, viz., financial independence. This found its chief expression in the co-operative principle that co-operative enterprises shall be built up with the members' own funds. It has been proved that the greater integrity of co-operation in this respect from country to country, the more strongly and effectively has it been able to maintain its position and efficiency in carrying on its work in the interests of its members. It is undeniable as a principle and has been proved by actual facts that

wherever the work is founded on borrowed money, the Co-operative Societies risk their independence of those who have advanced the monies, or, in other words, of those who in the event of a catastrophe would take their place. It is just as possible for the State to intervene in the Co-operative Movement and subject it to control and coercive measures, which would restrict its liberty and power of action for the well-being of the consumers, in connection with a financial crisis within a national co-operative organisation as if the political leadership in a state should become dictatorial and authoritative and become influenced by forces which are hostile to the advancement of Co-operation. The independence of Co-operation rests very largely on economic independence and sound financial principles for the Movement in all of its units. The Co-operative Movement in countries such as Great Britain, where it began by building on this principle, has therefore not only succeeded in withstanding the effects of the crisis unscathed, but also in making further progress in importance from the point of view of the economy of the nation as well as internal efficiency, and also, on the whole, exercising a strongly stabilising effect in the industrial life of Great Britain.

However strongly constructed Co-operation may be in each separate country, it cannot utilize all possibilities of advancement and development by relying on its own energy and by shutting itself off in a feeling of self-sufficiency within its own national territory. International Co-operation, the mutual utilization of experience and research, success as well as disappointments, is the key to success for the Movements of the different countries viewed as units, just as each local unit in a country can derive inestimable benefits, which would otherwise cost a great deal of money, by utilizing the accumulated experience of all the other links of the chain and being strengthened a thousandfold in success as well as adversity by reason of its intimate intercourse with all the other units.

I cannot refrain from mentioning in this connection the enormous importance of international co-operative collaboration becoming concentrated with the least possible delay in one practical, economic focus, viz., in an efficient International Co-operative Wholesale Society resting on the mutual confidence of all countries. There is a multiplicity of questions in each individual country calling for the attention of Co-operation. They cannot be solved by other than international co-operative action with active participation on the part of all countries, e.g., the mineral oil question. It is true that the attempts to create an efficient international wholesale society have encountered serious obstacles during most recent years, as the international trade barriers—as has been mentioned above—have placed unsurmountable difficulties in the way of all kinds of international economic exchange and collaboration. On the other hand if one has witnessed the strains to which the National Co-operative Movements have been subjected in a number of

countries, not least in financial respects, one cannot help regretting that practical economic international collaboration in the Co-operative Movement was not started earlier so as to comprise larger groups of nations. The international co-operative collaboration in economic matters in Northern Europe, which has now been proceeding for seventeen years, has proved its value on a number of occasions, not only by its capacity to create financial reserves of the highest importance in trying times apart from the fact of the cheapening and rationalising of the actual supply of products for the respective countries.

The preponderance of international co-operative collaboration must, therefore, as during most recent years, be essentially centred in the purely idealistic work of the **International Co-operative Alliance**. We who are now gathered together in international counsel can bear witness to the fact that the importance of this work during the past four years has not diminished but rather is increasing powerfully according as the tendency which at present obtains in the economic development of the world divides the nations from one another and raises walls between people and people. In the general intercourse between nations, the future of which at present appears to be so obscure, the International Co-operative Alliance is a kernel which ensures full growth of the seed until better times arrive, in the same way as during the trying years of the great war the I.C.A. was practically the only one of all the international bodies which preserved undamaged and effective this precious idea for the future of international intercourse. It was able to do so because it is not the centre of egoistic interests, but personifies the most original of human desires for action: the strivings of the families, the primary units of human society, to meet their needs of necessities in the best and cheapest manner. Should the present isolation of the nations be a lasting thing and possibly become still further pronounced, the International Alliance will again acquire the same importance it had during the late world war as a bridge to span the isolation of humanity. Its aim is to serve the different National Co-operative Organisations with advice as to the best way in which they can serve the country in which they carry on their work. By garnering experience and information from all countries a general study of the development of great economic tendencies in the world can be carried on within the framework of the Alliance in a way which can hardly be equalled by any other international economic organisation. Then again if the isolation should disappear, according as the common sense of the nations again becomes manifest, it is only within the framework of the Alliance that the great idea already mentioned by me of a **Co-operative Practical Economic World Alliance** can be realised. Most nations must be interested in the fact that the universal idea of co-operation leads on to the creation of an economic body for the solution of certain international questions, because, in spite of the fact that the world has

been rent asunder by trade barriers and currency restrictions, prohibitions of emigration and immigration and many other measures that internationalism which is supported by the international trusts and cartels still flourishes. In times such as the present these bodies act more than ever to the detriment of the interests of the great working masses all over the world. In order to break the power of these forces and to help in the re-establishment of understanding and lasting peace among the people of the earth it is, therefore, an essential condition that international co-operative collaboration and its tried organ, the International Co-operative Alliance, should endure and go from strength to strength.

RESOLUTION.

The International Co-operative Alliance, which is an association of National Co-operative Organisations mutually independent and autonomous in their relation to the Alliance, seeks to assist the member Organisations, each in its own country, in their endeavours to raise the national standard of living and to promote the sound development of national economic life.

In pursuit of these aims, the Congress declares :—

1. That the Co-operative Movement, nationally organised, should continue its successful work for the promotion of the interests of the affiliated members by effectively organising the productions of its members and the marketing of their products, or supplying their needs as consumers either of household goods or necessities needed in their occupations, these activities to be carried on in true adherence to the Rochdale Principles, successfully established during the past century, the most important of which from an economic point of view are, that the membership of Co-operative Societies should be free and open to everybody ; that neutrality in political and religious questions should consequently be observed; that the activity should be carried on by means of capital supplied by the members and independent of borrowed capital; and that the surplus should be distributed according to the share which each member has taken in creating it.
2. That the Co-operative Movement in every country should serve as a protection to producer and consumer against the exploitation of those capitalist combines which carry on a ruthless policy of high prices for goods necessary to their existence either as consumers or producers, a policy which, by extending the margin between the retail price and the price of the raw materials, reduces consumption and affects employment in a way detrimental to the interests of national economic life.

3. That the measures taken by Consumers' Organisations in different countries to assist farmers and other small producers in their depressed conditions of life should be continued in a manner well adapted to the purpose, in the first place by the creation and maintenance of the closest possible relations between Co-operative Organisations of Producers and Consumers.
 4. That the National Co-operative Wholesale Societies should energetically continue their exertions to build up a powerful international economic organisation (I.C.W.S.), which will thus be able to assist the activities of the member-organisations to an ever increasing extent and contribute to an increase in the interchange of goods between the countries of the world.
 5. That the International Co-operative Alliance, which has been in uninterrupted activity since 1895 with a view to bringing Co-operators all over the world into closer contact with each other, is, in fact, well adapted to render effective assistance to the National Co-operative Organisations in their endeavours by establishing or further developing a regular interchange of experience and ideas in matters relating to legislation, organisation, administration, technical and scientific progress, education, press and propaganda. Also, by carefully following the international advance of such developments in private economic life as are of special importance to the Co-operative Organisations and their members (e.g., cartels, trusts, large-scale retailing organisations), the I.C.A. is designed to make an important contribution towards the development of National and, consequently, also International Co-operation.
- ¶ The Congress, therefore, calls upon the constituent National Movements to have recourse to the forces and resources of the International Co-operative Alliance in the highest possible degree and to contribute by all means in their power to increase the capacity of the Alliance to assist the constituent Organisations in their work of realising the economic ideas inherent in Co-operation.

DISCUSSION ON MR. JOHANSSON'S PAPER.

The PRESIDENT: I will call upon Mr. Johansson of Sweden to introduce his paper on The Rôle of International Co-operation in Present Day Economic Development.

Mr. ALBIN JOHANSSON (Sweden): It is not necessary for me to make a long speech since my paper is before you in print. I would only like to say that I am not in favour of compulsory economy; I must be free, and am personally not so tolerant as might appear from my paper. Why, then, have I submitted my paper? Because I believe that all efforts must be co-ordinated, since only when all our forces are united shall we be able to achieve something. Just because I am of this opinion, I am an absolute opponent of all who think that they can achieve anything by political action. I believe that politics divide, and do not unite.

The paper which is included in the Agenda of the 14th International Co-operative Congress was written, in accordance with my original thesis and under my guidance, by my friend Mr. Thorsten Odhe. On reading it again I find that its tone is somewhat pessimistic. I am, therefore, pleased to have the opportunity to state that economic conditions have considerably improved since the paper was written. If it were written to-day, it would certainly have been written in a more optimistic vein, but even if one could have placed the greatest hopes in the prospects of the future, it would never have been possible to express in words the vital importance of Co-operation to the present and future inhabitants of the world. Its beneficent activities extend from the poorest to the most well-to-do sections of the community. Co-operation helps all, even those who think that collaboration between consumers is detrimental to their interests. All peoples—at least all free peoples—can improve their standard of living by Co-operation. The co-operative programme is based on reality, and adherence to that programme will not bring about violent changes or sufferings, but, on the contrary, will improve the standard of life of the people, which will gradually be achieved by bringing into play the best factors. I am convinced that honest adherence to our programme will be of the utmost benefit to those who suffer the greatest hardships under the present system, and in this respect my draft resolution is in accord with the Rules of the I.C.A. I am further convinced that economic freedom, the right of free competition, the highest standard of living, are also essential conditions of political freedom. If the Consumers' Co-operative Movement did not apply the brake to the passion of the big capitalist trusts and combines for profits, conditions would be unbearable. In one of the Central European countries, cartels are allowed to dominate with the support of economic legislation, and the political result is political bondage. If we wish to have political freedom, then the Co-operative Movement must demand and maintain

economic freedom. Economic freedom is not secured by the fact that representatives of the consumers are given a seat and a vote in cartels, because a cartel, a monopoly, is not changed by the presence of a few representatives of the consumers. For a time the consumers' representatives will be able to check dangerous developments, but a monopoly without competition will in time show the same defects as those organisations which are legally protected and, in due course, all the defects of old age. New life can only be born under free competition. There are innumerable examples of the primitive conditions under which people lived when the economic life was more or less compulsorily organised. The country which extends its hospitality to this Congress has been the standard bearer of liberty. Eastern Europe is at present being rebuilt with the aid of a technique which is the result of free competition between various enterprises and nations. Since we are able to observe what freedom means to development and how human productive power is strengthened under free competition, is it not our duty to protect freedom with all the means at our disposal ?

Consumers' interests are not safeguarded by the legal prohibition of trusts and cartels, as is clearly shown by developments in America, but by the union of consumers in Co-operative Societies where they have the possibility of correcting the activities of the trusts. Co-operative enterprises can compete successfully against all monopolistic concerns which are detrimental to the consumer. This has been the experience in England as well as in other countries. We, Co-operators, do not oppose any specific form of economic activity because of its form, but we oppose all those who, by compulsory measures, extort unfair and unjustified tribute from large sections of the population in the interests of a minority, and those who administer their property to the detriment of the community. We wish to maintain prices which will meet the needs of the consumers and provide work for all who want to live by honest toil. I would have liked to strengthen my resolution by a powerful and world-wide appeal for economic freedom, as the essential condition for political freedom, but as I know that certain sections of our membership are of different opinion, I have not done so in the hope of facilitating its adoption. You may say that the opinions I have just expressed do not correspond with the text of my resolution ; nevertheless, I ask you to vote for it, and I am convinced that you will adopt it unanimously.

The PRESIDENT : I have already received the names of ten speakers. I, therefore, propose to close the list, and I also appeal to all the speakers to be as brief as possible.

Mr. C. H. GRINLING (Great Britain) : I should like to thank Mr. Johansson for his paper and I should like particularly to thank the Swedish Movement which has made it possible. In the few

minutes that I have I should like to concentrate upon paragraph 5 of the resolution which is before us. It calls our attention to the importance of our Co-operative Movement in legislation, organisation and administration, in technical and scientific progress, in education, press and propaganda. This Congress, in my judgment, marks a step forward. Last night at our banquet I was told that it was a dull and boring Congress. We must not be disturbed because our Co-operative Movement is a matter only of the organised movement of one hundred years. We must not be disturbed if we fail to get to vital grips with the vital problems every time. We are in a transition period. We are passing away from the period when we said that our Movement was to be non-political and unsectarian. We are passing into a period when we affirm that it must be all-political and all-religious. This resolution gives us our place and our work among the peoples of the world. It is the mission of the Co-operative Movement to lead in transforming world economics from an economy of strife to an economy of mutual aid. Co-operation is a spiritual force which throws up great individuals. The greatest individuals seem to those in their lifetime to stand alone, but ultimately they win the respect of the ages. We have to learn to recognise greatness, to create the conditions for great men and great women in our Movement by giving them courageous support whenever their ideas are little understood, and when they are even bitterly opposed, but we also have to recognise that the creation of the superman calls for superhuman patience. We have to work to-day through common men. This brings me to the problem of violence. Violence is impatient. Violence is often a noble impatience, but, as history shows, misguided. Violence is not confined to any group or idea. Violence has been associated with all politics. It has been associated with all religions when they are impatient or when they seek to dominate. It is not for us to condemn it in others. It is for us to uproot it in ourselves. Co-operation teaches each of us to take our own place in our own Movement and no other. For this we need, as the resolution says, interchange of experience and ideas in technical and scientific progress. A new world is being built on new knowledge—new science, new economics, new psychology, new religion.

May I say one word to our British section. We are the heirs of the British genius. We have the blood of all the world in our veins, from the blood of prehistoric man, who came to these islands, to the blood of all the Continent. We, as a sailor people, a colonising people, have interbred with all the nations. That gives us a great and an urgent responsibility, the responsibility of understanding all races in turn. We have helped to interpret the great Russian Movement, which is so often misunderstood, to the world. We have no less to interpret the Movement in Italy to-day. We have to recognise that every element in the world needs its interpretation

and needs affection. If we can bring to our task affection and study, we shall help the great Co-operative Movement in its cause.

Dr. G. DE KELEK (Hungary): I am happy to state, on behalf of the Central Union of Hungarian Co-operative Societies, that we are in complete agreement with the ideas developed by Mr. Johansson and the thesis which he presents. We are also firmly convinced that the Co-operative Movement is not an artificial structure based on abstract doctrines, but is rather an organic function in the economic body of the various nations, and must, therefore, strive to realise its noble aims—whilst maintaining inviolate its principles and employing purely co-operative means—by adapting itself to the social and economic conditions of the time. The Co-operative Movement of to-day must realise, whether it likes it or not, that an early return to the old conditions is very improbable, and for this reason it must direct all its efforts to finding ways and means to effectively safeguard the interests entrusted to it by vast sections of the population in the new order of things. That outside circles realise this, is shown by the fact which Mr. Johansson has stressed, that many Governments have appointed distinguished representatives of the Co-operative Movement to the administration of various economic organs. If they are thereby able to exercise a decisive influence on decisions affecting the welfare of broad sections of the people, and if, in the carrying out of economic measures, the Co-operative Societies are given a part corresponding to their importance, then such a development may bring us considerably nearer to the realisation of our aims.

Also from the special point of view of the important question of collaboration between Consumers' and Agricultural Societies—which may decide the future of our Movement—the inclusion of Co-operative Societies in the systematic regulation of production and distribution may prove exceedingly beneficial to the Agricultural Co-operative Movements, both national and international. As a representative of an agricultural country I would like to appeal to the leaders of the great Consumers' Organisation of Western and Central Europe, in so far as they are able to exercise their influence on the activities of the economic organs of their respective countries, with a view to furthering the exports of the Agricultural Co-operative Societies in agricultural countries. By this means they would not only raise the purchasing power of the agricultural population in those countries, which in the end would mean greater employment to the workers engaged in the export industry of their own countries, but would also consolidate the Co-operative Organisations in the agricultural countries. Relations between the Consumers' and Agricultural Productive Societies of the various countries, as the elements of planned economy, would not only prove a lasting benefit to the whole Co-operative Movement, but might even survive the eventual abolition of compulsory state regulations. It is even thinkable that the existence of such

relations might, at a later date, lead to the re-establishment of the free exchange of goods, in so far as Co-operative Societies might take over the tasks discharged at present by state and semi-official organs, safeguarding at the same time the interests of producers and consumers. In this spirit we will vote for the resolution of Mr. Johansson.

Mr. VICTOR SERWY (Belgium): On behalf of the Belgian delegation I desire to make a declaration. We cannot accept the report of Mr. Johansson without some definite reservations, as we have already declared in the meetings of the Executive and Central Committees. It is not necessary to say that our Swedish comrades are held in high esteem in Belgium; we admire the great work they have accomplished in their own country by fighting against capitalism to the benefit of the consumer. This, however, does not prevent us from disagreeing with Mr. Johansson.

Even though certain of the conclusions can be accepted, it is impossible for us not to raise a protest against some of the ideas contained in this paper. If we agree with the statement concerning the nationalism from which, to a greater or lesser extent, the majority of countries are suffering, we must regretfully point out that the report contents itself with noting this state of affairs without showing the slightest reaction to it. Mr. Johansson's conclusion is that the ideal of free trade has practically suffered a complete defeat, but we cannot find in the report any trace of condemnation of Protection, which every nation has adopted as its policy and which—any more than free trade—cannot be the policy of the International Co-operative Alliance. Economic autocracy will only prolong the crisis. To-day the world is imbued with the spirit of nationalism: we can only hope that to-morrow, regaining its common sense, it will turn towards International Co-operation. It is everywhere recognised that any solution of the crisis, or any profound social change, can only be brought about by international action. That is one thing which we wish to bring before the Congress of the Alliance, but it is not all.

Mr. Johansson appears to be resigned to the present state of things or, at least, one is led to believe so on reading his paper. He declares that—

“neutrality means not only that Co-operation shall be neutral in the political discussions and debates which precede the adoption of a certain economic policy on certain general economic lines, but also when it applies to the application by the State authorities of those measures and intervention which have been passed by Parliamentary procedure in the usual manner in accordance with these general economic lines.”

This attitude of subjection on the part of every citizen cannot be accepted by Co-operators who are, above everything, men of action. This definition of neutrality cannot be accepted by the Co-operative Movement: it would mean the complete submission of all citizens to the State. This theory of resignation is opposed to the idea which leads us to fruitful activity from the co-operative point of view.

Should, therefore, the Co-operative Societies no longer have the right to protest against customs duties and taxes on food? Should they be forbidden to defend the general interests, while in Great Britain, in Switzerland, in France, and in Belgium, they are protesting, and have protested, against schemes of taxation or of restriction? Does it mean that Co-operative Societies may no longer raise their voices against trusts and quotas? From the paper it would seem that an attitude of servitude towards the public authorities is to be adopted. Neither Co-operative Societies nor the Congress, we hope, will follow this tendency. In any case, when the resolution is put to the vote we shall ask for a division.

Already, as a result of the decisions of Congress, paragraph 1 will end at the words "successfully established." On the other hand, we can only support paragraphs 3, 4 and 5, and the conclusion, in other words, those paragraphs which demand the organisation of relations between consumers and agriculturists, support for the building up of an International C.W.S., and the development of the International Co-operative Alliance.

CLOSE OF THE SEVENTH SESSION.

EIGHTH SESSION.

Friday Afternoon.

THE RÔLE OF INTERNATIONAL CO-OPERATION IN PRESENT DAY ECONOMIC DEVELOPMENT—(continued).

The PRESIDENT: We will continue the discussion on Mr. Johansson's Paper.

Mr. A. J. CLEUET (France): Mr. Albin Johansson, in his interesting report which we are now discussing, has given some space to the rôle which the International Co-operative Wholesale Society should play, and has devoted paragraph 4 of his resolution to this Organisation as follows:—

“4. That the National Co-operative Wholesale Societies should energetically continue their exertions to build up a powerful international economic organisation (I.C.W.S.), which will thus be able to assist the activities of the member-organisations to an ever increasing extent, and contribute to an increase in the interchange of goods between the countries of the world.”

The object of my intervention in the discussion is to support this part of the resolution of Mr. Johansson.

To-day it is more than ever necessary for the National Wholesale Societies to act on international lines; the exchange of goods or, better still, the commercial relations between the Wholesale Societies, must be maintained and, if possible, developed, even though such business may not offer big results either to the buyer or the seller. Our principal concern at the moment is not to allow the commercial chain which we have forged between the Wholesale Societies to be broken, for this is the danger which has threatened us since the international markets have become more and more inaccessible. The National Wholesale Societies must not lose sight of this essential aim: to maintain and to consolidate their international commercial positions. Other aims to be pursued must be the subject of exact and permanent study. It is no light task to which the Co-operative Movement draws the attention of the International Co-operative Wholesale Society.

It does not, therefore, seem out of place to ask the National Wholesale Societies to undertake this work and to carry it on with the fixed determination to obtain results which will be advantageous to the consumer. The field of action is immense—we might almost say unlimited. Without attempting foolish experiments, we can set out boldly on the road which will lead us to the acquisition of all products at their source, to the collective buying of certain goods in

large quantities ; and to the rapid circulation of surplus produce—which might sometimes embarrass certain Wholesale Societies.

The National Wholesale Societies must also defend, and then arm, themselves against the Trusts ; but they will have no chance of success in this respect unless their international unity becomes a living and active reality.

In a word, relations between the Wholesale Societies must be founded on an active and vigilant solidarity, so that we may mutually help one another in times of difficulty.

To attain the aims of Co-operation the international ideas expressed in this Congress must be realised ; this realisation is the historic mission which must be fulfilled by the Wholesale Societies in the forward march of Co-operation. Let us hope that they will not fail in the task.

Mr. V. RAMADAS PANTULU (India) : I am, perhaps, the only delegate in this large International Congress who comes from a country which enjoys neither political nor economic freedom. Nevertheless, I am in a position to say that in the company of my fellow Co-operators I have not felt that sense of inferiority which I should have felt in a political or economic World Conference, in collaborating with the representatives of self-governing countries and nations. I attribute this, in the first place, to the atmosphere of freedom and self-reliance that has pervaded this Congress and which it has been the aim of the Co-operators to create. In the next place I attribute it to the abundant goodwill to India, manifested by my fellow delegates from all the countries. The East and West, which were conceived by an English poet, Rudyard Kipling, as being irreconcilable, have at this International Congress met on terms of absolute equality and mutual understanding and also with a sense of identity of their interests in the co-operative solution of their varied economic problems. There is no reason why we should not meet with a similar sense of identity in international interests in political and other concerns of national life. I feel that this will become possible only if the ideals for which this Congress stands are accepted and put into practice. I shall, however, be untrue to myself if I fail to tell this Congress that, as I have listened to some of the speeches that were made in the last three days, I have felt that the ideal of the Co-operative Commonwealth, which in the past evoked great enthusiasm and raised large expectations in the ranks of Co-operators, was receding somewhat into the background.

The cult of economic nationalism and of a planned economy of its own for each nation has made serious inroads into the faith of some of the delegates in the universality of their creed and the efficacy of their methods. It is said from this platform that, if in any country the interests of "organised Co-operation" conflict with the larger interests of the economic life of the nation as a whole, the former must give way to the latter. Put in this form, the

proposition may appear to be *prima facie* sound. I am, however, unable to agree with the implications that the proposition carries with it. If I have understood the principles of Co-operation aright, and if Co-operation aims, as I believe it does, at promoting the interests and efficiency of production, distribution and buying, by eliminating all unnecessary factors that go to increase needlessly the cost to the consumer in private economy based on profit, I fail to see how organised Co-operation of the right type can possibly conflict with true national interests. If Governments in certain countries are hostile to Co-operation or so frame their schemes of planned economy as to suppress or injure the Co-operative Organisations or discriminate against them, it is because those Governments are either dominated by the vested interests of private economy or are unable to shake off the effects of the capitalistic environment and tradition in which they have been nurtured for centuries, and it is not because there is anything wrong with the principles and practice of Co-operation. In countries so circumstanced it will be not only the right but also the duty of Co-operators to take effective action to convert their Governments to their viewpoint and to make them realise the fundamental identity of the interests of organised Co-operation and those of the nation as a whole. It is the economic programmes of the Governments that must give way to those of organised Co-operation. To this extent the principle of political neutrality must be modified. In this demand I am in full agreement with the views expressed by the British delegates. We in India will eagerly watch the growth of the Co-operative Party in British politics and its influence in shaping the economic policies of the Government of Great Britain.

In India Co-operation has not yet had any effect on the capitalistic trading interests, as it is largely confined to agricultural credit, but, when the Movement develops in India to such a stage as to be brought into conflict with capitalism in any sphere, we expect that the attitude of the Government of India towards the Movement will be largely influenced by that of the Government in this country. Therefore, the developments in Great Britain are of special interest to India.

It seems to me that one of the most effective ways of bringing home to Co-operators in various countries the identity of their economic interests is the establishment of an International Co-operative Wholesale Society into which the Wholesale Societies of the different countries are federated. No country can produce everything that its people want, and no country can live in economic isolation from other countries. Every country should be glad to buy such of its requirements as it cannot supply by its own productive effort and to sell its surplus commodities through an International Co-operative Trading Organisation rather than through a commercial corporation. The project of an International Economic Organisation may be usefully linked up with a scheme for an International Co-operative Banking Federation, because commercial banks

generally make common cause with capitalist producers and employers, to the detriment of producers of primary products, consumers and the working classes. I earnestly hope that the International Co-operative Alliance will take up this question in the near future.

In conclusion, I beg to assure this Congress that India, which is irrevocably committed to the creed of non-violence, will stand by the Congress in the struggle to end political and economic wars and will give her full moral support to the resolution on peace and disarmament passed by this Congress. Our success in influencing international opinion will largely depend on our loyalty to the creed and basic principles of Co-operation, and I hope and trust that we shall regain in the fullest measure our faith in that creed and those principles and in the possibilities and potentialities of Co-operation to promote world peace and universal harmony.

The PRESIDENT: Doubts have been expressed by certain delegations as to the phrasing of certain parts of the resolution. I want to make it clear that it is based on the rules of the Alliance; that it is in conformity with the practice and principles of the Movement and in no way prejudices the decisions already taken in this Congress.

Mr. JOHN DOWNIE (Great Britain): In view of the explanation which has just been given, I beg to move that the question be now put.

A BRITISH DELEGATE: I second that proposition.

The PRESIDENT: It has been proposed that the question be now put, and we must take a vote on this proposal. The French delegation has demanded a count.

The motion was Carried by 366 votes to 268.

The PRESIDENT: We will now take the vote on the resolution on Mr. Johansson's Paper. During the discussion Mr. Serwy (Belgium) proposed that the portion of the first paragraph beginning with the words: "The most important of which from an economic point of view are" to the end of the paragraph should be deleted. That is the only amendment which has been made during the discussion. A count has been demanded, we must, therefore, take the vote by cards.

The amendment was Carried by 373 votes to 180.

The PRESIDENT: I will now put the resolution as amended to the vote.

The text of the resolution is as follows:—

"The International Co-operative Alliance, which is an association of National Co-operative Organisations mutually independent and autonomous in their relation to the Alliance, seeks to assist the member Organisations, each in its own country, in their endeavours to raise the national standard of living and to promote the sound development of national economic life.

In pursuit of these aims, the Congress declares :—

1. That the Co-operative Movement, nationally organised, should continue its successful work for the promotion of the interests of the affiliated members by effectively organising the productions of its members and the marketing of their products, or supplying their needs as consumers either of household goods or necessities needed in their occupations, these activities to be carried on in true adherence to the Rochdale Principles, successfully established during the past century.
2. That the Co-operative Movement in every country should serve as a protection to producer and consumer against the exploitation of those capitalist combines which carry on a ruthless policy of high prices for goods necessary to their existence either as consumers or producers, a policy which, by extending the margin between the retail price and the price of the raw materials, reduces consumption and affects employment in a way detrimental to the interests of national economic life.
3. That the measures taken by Consumers' Organisations in different countries to assist farmers and other small producers in their depressed conditions of life should be continued in a manner well adapted to the purpose, in the first place by the creation and maintenance of the closest possible relations between Co-operative Organisations of Producers and Consumers.
4. That the National Co-operative Wholesale Societies should energetically continue their exertions to build up a powerful international economic organisation (I.C.W.S.), which will thus be able to assist the activities of the member-organisations to an ever increasing extent and contribute to an increase in the interchange of goods between the countries of the world.
5. That the International Co-operative Alliance, which has been in uninterrupted activity since 1895 with a view to bringing Co-operators all over the world into closer contact with each other, is, in fact, well adapted to render effective assistance to the National Co-operative Organisations in their endeavours by establishing or further developing a regular interchange of experience and ideas in matters relating to legislation, organisation, administration, technical and scientific progress, education, press and propaganda. Also, by carefully following the international advance of such developments in private economic life as are of special importance to the Co-operative Organisations and their members (e.g., cartels, trusts, large scale retailing organisations), the I.C.A. is designed to make an important

contribution towards the development of National and, consequently, also International Co-operation.

The Congress, therefore, calls upon the constituent National Movements to have recourse to the forces and resources of the International Co-operative Alliance in the highest possible degree and to contribute by all means in their power to increase the capacity of the Alliance to assist the constituent Organisations in their work of realising the economic ideas inherent in Co-operation."

On a show of hands the resolution was Carried by a large majority, the Russian delegation abstaining.

DATE AND PLACE OF NEXT CONGRESS.

The PRESIDENT : We have now to decide the date and place of the next Congress. The only invitation we have received is from France.

Mr. M. CAMIN (France) : I am entrusted by the National Federation of French Consumers' Co-operative Societies with the honour of asking you to hold the next International Congress in Paris.

Our Movement has decided to present this request to you for two reasons : the first is that, in 1937, it will be exactly thirty-seven years since the Congress met in our capital ; the second is that, in that year France will organise an International Exhibition. We have thought, therefore, that it might be interesting for the Congress of the Alliance to meet at Paris at that time.

If, as we hope, the Congress accepts our invitation, I should like to say at once that we will do our utmost to welcome you as cordially and fraternally as possible. We shall certainly not find it easy to equal what our friends of the British Co-operative Union have done, but we assure you that we shall do our utmost to make your stay in our beautiful city a happy one.

The invitation of the French Federation for the next Congress to be held in Paris in 1937 was unanimously Accepted.

VOTES OF THANKS.

Mr. E. POISSON (France) : We are now at the end of our task and are about to return to our respective homes, there to carry out the results of the deliberations of this Congress and to work for our common ideal. But in returning home we shall not forget the Fourteenth International Co-operative Congress ; we shall often think, not so much of its discussions and resolutions as of the wonderful and fraternal welcome given to us by our fellow Co-operators of Great Britain.

I know that in such circumstances it is customary to exchange these compliments, but what more would you have me say ? These

compliments come from our hearts. We shall all remember our great sister National Organisation, our model, and its splendid representatives, Sir Fred Hayward, Mr. Palmer, and all those others whom it would take too long to mention by name.

I also wish, on behalf of all the delegates, to thank the four London Co-operative Societies with which we have been able to come into contact. We were told, in our youth, that the great capitals, particularly the largest in the world, were deserts from a co-operative point of view. But that is no longer anything but a bad memory. While remaining the greatest city in the universe, London has become a great co-operative city.

Next, I wish to thank the Co-operative Wholesale Society, whose splendid buildings and departments we have had the pleasure of seeing.

It is of all these things that we shall continue to think as we make use, as I hope we shall, not only of what we have heard in our discussions but also of the articles which have appeared, I do not say in the whole, but in a considerable part of the British press which, during these few days, has shown its sympathy with the Co-operative Movement by devoting some columns to a report of a Congress which represents the greatest voluntary human force in the world.

I cannot close without thanking our President—although I have not told him of my intention—who, by his goodwill, his impartiality and also his authority, has brought the work of this Congress to a successful close.

Therefore, summing up what I have just endeavoured to say, I ask you heartily to adopt the following Resolution :

“ This Congress offers its sincere and hearty thanks to the British Co-operative Union and all its affiliated Organisations, national and local, and to the Reception Committee for the splendid welcome, admirable organisation and generous hospitality, with which the Fourteenth International Co-operative Congress has been prepared and brought to a successful conclusion.

The welcome extended to the delegates by the Minister of Labour, on behalf of the British Government, and by Lord Snell, on behalf of the Municipal Authority of London, as well as the sympathetic collaboration of the Governments of many countries and of the great International Institutions of the world, have conferred upon the Congress an impressive dignity which marks the progress of the International Co-operative Alliance as an Organisation of world-wide importance.

The Congress further desires to express its appreciation of the way in which a considerable part of the Press has given

publicity to the proceedings of the Congress, in some instances accompanied by objective statements regarding the activities and aims of the Co-operative Movement."

Long live the British Co-operative Movement! Long live International Co-operation!

The resolution was **Adopted** unanimously.

Sir FRED HAYWARD (Great Britain): May I, on behalf of the whole of the British Co-operative Movement, express our thanks to Mr. Poisson for the very eloquent way in which he has thanked us for receiving you here, and to all the visitors for the generous way in which they have accepted the resolution? When at Vienna I had the pleasure of offering the invitation for the next Congress to be held in Great Britain, in this city of London, I then said that we would do our best but we could not guarantee to give you as fine weather as you had in Vienna, but I think we have even managed that, and we hope that all the delegates who have come to this country and to this city will go back not only with good impressions of the British Co-operative Movement but with a keener international spirit, with a desire to develop those principles which the International Co-operative Alliance holds dear, and that, as a consequence of the meeting together of the representatives of so many countries, the cause of internationalism will have been moved at least one further step forward.

The Reception Committee which was called together to carry out the work of this Conference has done its work twice. It arranged for the Congress last year and then, of course, circumstances prevented it being held, and it was postponed till this year, but I think that the arrangements which have been made have generally conduced to the comfort and wellbeing of the Congress. In this connection, on behalf of the Reception Committee, I feel I should be remiss if I did not pay tribute to the assistance which has been given to us by the General Secretary of the Alliance, Mr. H. J. May, in the work of preparation. He has been not only invaluable but indefatigable in everything appertaining to the success of the Congress, and I do not think we could have made the success we have of it without his ready help.

So far as our Movement is concerned, from north to south, from east to west, this Congress has been looked for as an event in British co-operative history, and, if it were possible for delegates from overseas to go over our country, in hundreds of Societies spread all over the land—Scotland, England, Wales—they would find the International Co-operative Flag flying this week as evidence of the International Congress which is being held here and of the desire of the British Movement through its rank and file to seek comradeship, association and fellowship with the Co-operators from overseas.

We hope that all the delegates will take back with them pleasant recollections of their visit. We have tried not to detract from Congress. Whatever has been arranged in the way of visits, entertainments, and so on, has been arranged outside the hours of the sittings of the Congress, but we hope that you have been able to see something of what British Co-operation is doing. The British Co-operative Movement, much as it would have liked to have an International Co-operative Exhibition in connection with this Congress, felt that the conditions were not at present propitious for such an occasion, but we have arranged a National Exhibition in which our Wholesale Societies, Productive Societies and the four London Societies collaborated in order to make that huge display at the Crystal Palace. I hope the delegates have all seen it and have obtained some idea of the work which is being carried on in these islands.

On behalf of the Reception Committee, the Wholesale Societies, the Co-operative Union and all its affiliated Organisations of every kind, we say to you that what we have done we have done in the cause of Co-operation. If it has pleased you and has in any way contributed to the advancement of the cause we represent, that is sufficient thanks for us.

The PRESIDENT: At this moment when we are about to take leave of one another, I have the pleasurable duty of thanking all those who have carried out the hard work of preparing and organising the Congress work. Every one of us who has at any time helped in the preparations for a large Congress knows, from experience, how much there is to be done and to be remembered.

Our thanks must, in the first place, be offered to the General Secretary of the Alliance, Mr. Henry J. May. It has been his hard task to take charge of the original literary preparations for the Congress and to make all the arrangements for the Congress down to the smallest detail. Each of us is able to testify that he has been quite successful in his work. But Mr. May deserves our thanks also for much more important reasons. He has now served for twenty-one years as General Secretary of the I.C.A., and, according to British traditions, he thus celebrates his coming of age. It was on the eve of the opening of the last Congress which was held on British soil, that held in Glasgow in 1913, that Mr. May took up his important office, and he has ever since been working faithfully, loyally and with great success on behalf of the I.C.A. Democracy does not often show its thanks to its officials, and Mr. May has indeed not often received any recognition for his work—nor has he ever asked for it. Let us make use of this occasion, his coming of age, to show him how great a value we place upon his work.

I am sure I am expressing the opinion of the Congress in proposing the following resolution :—

“That this Congress expresses its heartiest appreciation and thanks to Mr. H. J. May for his devoted and efficient services to the International Co-operative Alliance during the past twenty-one years.”

We must further remember with thanks all those other persons who have helped us in our work. Miss Polley, the right hand of our General Secretary, who, for many years and without looking for any recognition, has been doing good work for the Alliance, deserves the fullest recognition on this occasion.

I also thank the whole staff of the Bureau, our excellent interpreters, without whose aid we should never have disentangled ourselves from this babel of tongues, and also the shorthand writers and journalists, who have taken good care that our wisdom will be transmitted correctly to the world.

The vote of thanks was Carried unanimously.

The GENERAL SECRETARY : I know that you are all anxious to get away, if not to the boat or train at least into the open air. I hope you will believe, therefore, that if I speak briefly it is not less sincerely, and that the appreciation which I desire to express, on behalf of myself and my colleagues here with me and in front of me, is from the heart and with full and complete understanding of the kindness that you have shown to us in this exceptional resolution to-day. I do not mean that it is exceptional on the part of the President, because he is always appreciative of our efforts to carry on the work of the Alliance satisfactorily, but it is a little unusual even in a Congress for the staff of the Alliance to be remembered in the omnibus vote of thanks. I suppose I have received this honour to-day especially owing to the fact that I have at last come of age, that I have reached the stage of maturity, and I can only say that I hope that maturity may continue to ripen in the service of the cause to which for more than twenty-one years I have given myself wholeheartedly in order to attain the international ideals as I understand them. Those twenty-one years seem to have passed as a day. I cannot look forward to another twenty-one years, but I have not yet measured the distance that I am prepared to go if I am given health and strength.

May I add just one word more of thanks to you, Mr. President, for that part of your address which was directed specially to me and also for the kindly resolution with which it concluded.

May I thank you, also, on behalf of the staff and on behalf of my devoted and admirable colleague whom the President has mentioned in his speech, I refer to Miss Polley, who for seventeen years has devoted an understanding, ability, and natural gifts which are

rare in man or woman, to the service of the Alliance. Equally I have to say how much I owe to all those who are around me here. They are a wonderful little band. They are not very numerous, and, like me, they are not very big in point of stature, but they are real sterling all through and serve you by helping me in the work that they do, consistently and effectively, throughout the years that pass. I regret that the staff has been reduced, owing to the attenuation of our finances, but I ardently hope that what you have done at this Congress will enable us, when we meet in Paris in 1937, to show you not a better band but a more numerous one.

May I at the same time thank you on behalf of the interpreters and stenographers? Mr. Jacob is the youngest member of the staff of interpreters whom we have had the advantage of having to help us. Mr. Somerhausen, if you have watched him as he has moved about this platform in different stages of déshabille and with the inevitable cigarette, you will realise is a seasoned member of the staff, as my friend Mr. Dawson is amongst the stenographers down below, but all five of them deserve the thanks that you give them and earn the modest fees which the resources of the Alliance permit.

I will not detain you further but thank you once again, in the name of each and every one of them and of myself in particular, heartily and sincerely for your vote of thanks this afternoon, and say that I hope to see you in similar circumstances in Paris three years hence.

Closing Speech of the President.

The PRESIDENT: The Fourteenth Congress of the International Co-operative Alliance is coming to its close. Nearly five hundred delegates from thirty-one countries, we are now dispersing to return to the everyday work to which we have been called.

If we ask ourselves what this Congress has given to us, then the answers of different delegates will differ, according to what each delegate expected from the Congress. But on one point we shall be agreed, and that is that the ties of friendship and mutual understanding between the Co-operators of different countries have been renewed and strengthened. Stronger than ever is our feeling that we are working hand in hand, no matter how distant our goal may be.

As practical results of our Congress, we can already register the fact that we have agreed on the question of such great practical importance as to how we can best promote the cause of Co-operation under the prevailing economic conditions. We have also agreed upon the main points of our Economic Programme, and we have given direction to the question as to how Co-operation should organise the leisure of our huge co-operative family. We have, furthermore, expressed a firm demand for the preservation of

world peace, which demand we hope will be respected by all those in whose hands the solution of this question lies. On the other hand, we have not succeeded in reaching absolute agreement on the Rochdale Principles, a question of great historical importance, and the general guiding principles which form the basis of the whole of our activity. For my own part, I regret this result, but, personally, I am firmly convinced, however, that a big step forward has been taken towards the solution of this question. I therefore think that we have cause to be satisfied with the work and the results of these days.

We have had the pleasure on this occasion of meeting in the great pioneer land and birthplace of Co-operation, and of being the guests of our British comrades. During this week we have enjoyed great friendship and hospitality. In addition to what has already been said on behalf of the visitors, I can assure our British hosts that we, Co-operators from overseas, are taking away with us the best of memories. At home we shall also be able to say that all the talk about the rainy and foggy weather of London is nothing but sheer nonsense and jealousy, for one could not have hoped for more beautiful weather than our hosts have secured for us during our stay here.

The principal aim of these Congresses of ours is to strengthen the feeling of international solidarity. I am convinced that as we now separate each of us is able to bring to bear in favour of this solidarity the new will created by this Congress. Although the spirit of the time often seems to be against us, it cannot dishearten us, for we know that we are on the right way. Let us hope, when we come together in our next Congress, that we shall have moved over to a new economic era which will strongly support our efforts.

In this spirit, I declare this Congress closed, and I wish all delegates success in the work to which they are returning.

Mr. R. A. PALMER (Great Britain): Before we conclude our meeting here I feel sure you will desire to place on record your appreciation of the services of our President. We realise that it is no easy task to control an international gathering of this kind, but we must put it on record that Mr. Tamm has safely guided us through the discussions which we have had on various subjects, and that it is due to his wise guidance that we have overcome the difficulties which lay in the path of those discussions. We appreciate, I am quite sure, his unfailing courtesy, certainly his patience, and the wise and discriminating use of his hammer.

I could, of course, speak at great length on a topic of this character, but whatever I said I am sure I could not express more sincerely and more heartily our desire to thank the President of this gathering than by saying to him that we appreciate his

work, and that when he leaves these shores he will carry with him the good will of every Co-operator attending this gathering.

The vote of thanks to the President was Carried unanimously.

The PRESIDENT : I declare the Fourteenth Congress of the International Co-operative Alliance closed.

APPENDICES.

I. International Co-operative Trading.

Report of the International Co-operative Wholesale Society, 1930-1933.

II. International Co-operative Banking.

Report of the International Co-operative Banking Committee, 1930-1933.

III. International Co-operative Assurance.

Report of the International Co-operative Assurance Committee, 1930-1933.

IV. International Co-operative Women's Guild, 1930-1933.

V. List of Members of the I.C.A.

VI. List of Subscriptions from each Country, 1930-1933.

APPENDIX I.

INTERNATIONAL CO-OPERATIVE TRADING.

REPORT OF THE INTERNATIONAL CO-OPERATIVE WHOLESALE SOCIETY

Members of the Society.

AUSTRIA	Grosseinkaufsgesellschaft österreichischer Consumvereine, Vienna.
BULGARIA.....	Centrale Coopérative "Napred," Sofia.
BELGIUM	Fédération des Sociétés Coopératives Belges, Antwerp.
CZECHOSLOVAKIA....	GEC Produktions — und Grosseinkaufsverband für Erwerbs- und Wirtschaftsvereinigungen, Prague. Velkonakupni Spolecnost Druzstev, Prague.
DENMARK	Faellesforeningen for Danmarks Brugsforeninger, Copenhagen.
ESTONIA	Eesti Tarvitajateühisuste Keskuhisus, Tallinn.
ENGLAND.....	Co-operative Wholesale Society Limited, Manchester. Co-operative Productive Federation, Leicester.
FINLAND	Osuustukkukauppa r.l., Helsinki. Suomen Osuuskappojen Keskuskunta r.l., Helsinki.
FRANCE	Magasin de Gros des Coopératives de France, Paris.
GERMANY	Grosseinkaufs Gesellschaft Deutscher Consumvereine, Hamburg.
HOLLAND.....	Coöperatieve Groothandelsvereniging "De Handelskamer," Rotterdam.
HUNGARY	"Hangya" Produktions-, Verwertungs- und Konsumgenossenschaft, Budapest.
LATVIA.....	Centrālā Savienība "Konzums," Riga.
LITHUANIA	Lietuvos Zemes Ūkio Kooperatyvu Sąjunga, Kaunas.
NORWAY	Norges Kooperative Landsforening, Oslo.
PALESTINE	The Palestine Co-operative Wholesale Society, "Hamashbir Hamerkazi," Ltd., Haifa.
POLAND	Zwiazek Spoldzielni Spozywcow, Warsaw.
RUSSIA.....	Central Union of Consumers' Societies, "Centrosoyus," Moscow.
SCOTLAND.....	The Scottish Co-operative Wholesale Society, Ltd., Glasgow.
SWEDEN.....	Kooperativa Förbundet., Stockholm.
SWITZERLAND	Verband schweiz. Konsumvereine, Basle.

The following meetings of the Members and the Executive Committee have been held since the last International Co-operative Congress in Vienna, 1930 :—

Executive Committee	Hamburg, 5th December, 1930.
„	Brussels, 16th April, 1931.
„	Paris, 29th September, 1931.
Members.....	Paris, 2nd October, 1931.
Executive Committee	Brussels, 25th April, 1932.
„	Prague, 1st July, 1932.
„	Geneva, 28th October, 1932.
Members.....	Geneva, 29th October, 1932.
Executive Committee	Brussels, 10th April, 1933.
„	Vienna, 9th October, 1933.

The years which have elapsed since the Vienna Congress mark the greatest crisis in the history of international trade and the modern economic system of the world. The commercial and the economic life of some of the greatest powers, which men had come to regard as well nigh unassailable, have been shaken to their very foundation by industrial depression and monetary disturbance, the repercussions of which have been felt in every part of the civilised world. Unemployment has become universal. Commercial enterprises have continued to record reduced dividends, or no dividends at all, and even substantial losses; others, unable to stand the strain longer, have collapsed. Monetary chaos followed, and problems arose which baffle the genius and the wisdom of statesmen and economists alike.

The world, at the end of the 12 months 1931-1932, was fast in the grip of economic and industrial depression, which naturally had a blighting and demoralising effect on trading activities in all countries. It was with the expressed endeavour to put an end to this economic impasse that the great Governments sent their representative leaders to the World Economic Conference in London. There was much talk of the need of international co-operation, but, alas for the hope of it, the deliberations broke down and ended in absolutely naught.

A violent re-action towards economic nationalism followed. Each country, in order to balance its budget and to stem the rising tide of unemployment, pursued more vigorously the policy of erecting tariff walls around itself and imposed more rigid restrictions against the free exchange of currency. The result was a further shrinking of international trade, and, inevitably, international co-operative commercial activities suffered in the general effects.

The Movement Stands Firm.

In spite of this world-wide depression, it is pleasing to note that the Co-operative Movement everywhere has withstood the shock

and maintained its position. International co-operative trading, however, is in a measure bound up with the competitive world and in consequence it has not passed through these critical times entirely unscathed, as is evident from figures quoted later. The International C.W.S. is not a trading Society, its main function being to promote and foster inter-trading between Co-operative Organisations constituting its membership. It is not too much to claim that valuable pioneer work has been done, but even this work has suffered an unwelcome check because of the national economic conditions and political embargoes. These circumstances are strongly endorsed by the fact that members of the Executive Committee have been unable to attend the meetings; others, owing to the disturbed conditions at home, felt it their duty to remain at their posts in their own national co-operative organisations.

The times, indeed, were so critical, that it was reluctantly decided in February, 1933, to postpone the Triennial Congress of the International Co-operative Alliance—due to be held during August, 1933, in London—for twelve months; and, in such circumstances, it was thought wise to postpone similarly the Annual Meeting of the International Co-operative Wholesale Society.

Notwithstanding the difficulties which have been encountered, the International C.W.S. has been kept intact and every effort has been made to carry on the work.

Progress in Group Purchasing.

The ideal of grouping purchases for the benefit of those participating, which was initiated by the pioneers of Co-operation, has, in its wider application in the field of International Co-operation, engaged the serious attention and examination of the Executive Committee. It is to be regretted, therefore, that the present world trade conditions have prevented a realisation of the possibilities of the Committee's endeavours in this direction.

But, in spite of these conditions, an attempt has been successfully made to purchase jointly American dried fruit through the New York Branch of the English C.W.S. These purchases have now been made for the past three seasons, and it is gratifying to be able to report a considerable increase in the volume of trade done in each succeeding season. This increase is due, without doubt, to a growing confidence among the buyers, and to the fact that many of the technical difficulties which beset the first attempt at joint purchasing have now been overcome. A sure and solid foundation has been laid, and there is every reason to believe that, with a return to more normal conditions in world relationships, the advance in the joint purchase of American and Near Eastern dried fruit will mark a real step forward in international co-operative commerce. There is a wide range of commodities suitable for joint and collective purchase yet to be dealt with but, until

circumstances are more propitious, it would seem unwise and impracticable to extend the operations.

Much was expected of a Conference of the Boot and Shoe Experts of the Co-operative Movements in membership, which should have been held in conjunction with the Annual Meeting of the International Co-operative Wholesale Society in 1933. The experts are members of the Boot and Shoe Group formed a few years ago for the purpose of enabling Managers of Co-operative Boot and Shoe Factories in Europe to meet periodically to exchange their views on questions concerning their particular manufacture and trade, under the ægis of the International C.W.S. The postponed Conference will be held in London in September of this year, in conjunction with the Congress of the International Co-operative Alliance.

Other Activities.

The Executive Committee have had under consideration several matters, the more important being enquiries into the possibilities of Compensation Sales to overcome the difficulties brought about by exchange restrictions, and also into the possibilities of the Co-operative Movement entering the field of petrol and oil production.

Other matters which are at present engaging the attention of the Executive Committee are an enquiry into the question of co-operative patents and secret processes, with a view to an exchange of information for mutual benefit; and also an inquiry into the question of competitive trade from organisations such as chain stores, fixed price stores, etc., and the means adopted to meet and overcome such competition in various countries.

Change in the Personnel of the Executive Committee.

The Society has suffered several losses in the personnel of the Executive Committee since the Congress at Vienna in 1930. In October 1930, death deprived us of the collaboration and inspiration of Mr. G. A. J. Mirrer, Holland. Then followed the retirement of Dr. Suter, of Switzerland, who had been a member of the Executive Committee since the inception of our Society; to be followed later by Mr. H. Everling who, for home business reasons, found himself no longer able to adequately fulfil his duties as a member of the Committee. We would again place on record our very deep appreciation of their invaluable services and steadfast loyalty to the cause of our Society, and to the Co-operative Movement in general.

Dr. Suter has been succeeded by Mr. Maurice Maire, Switzerland, and Mr. Everling by Mr. Gustav Borgner, Germany, and the late Mr. Mirrer by Mr. Swart, Holland.

It was felt by members of the Societies representing Central European countries that, when questions directly affecting these countries were being discussed, some person having an intimate acquaintance with the subjects treated should be co-opted by the Executive Committee. It was, therefore, decided at Paris in October, 1931, to increase the number of the Committee to ten, and Mr. Gottlieb Loria, of Austria, was elected.

Resignation of the Chairman.

It is with sincere regret that we have to record that Sir Robert Stewart has intimated his intention to retire as a member of the Executive Committee of this Society. We fully appreciate the reason for Sir Robert's decision, and recognise that, after a very lengthy and strenuous period of active service, he is entitled to that leisure he has so richly earned. Sir Robert is not only a stalwart of the International Co-operative Wholesale Movement, but, indeed, a pioneer, for he has been connected with this activity from its very initiation, and since 1929 he has been the able and acceptable Chairman of the Society. As a member of the Society generally, serving on the Executive Committee, and as its Chairman in particular, he has always given us the benefit of his rich co-operative and commercial experience in our deliberations. His enthusiasm for the cause, backed up with conscientious conviction and sound judgment, has been of incalculable benefit to us, and we are deeply indebted to him for the service he has rendered. To his business ability and earnest devotion to duty, he has always added a spirit of *bonhomie* and the quiet charm so characteristic of him. We thank him for his valued contributions to our work and wish for him health and happiness in the years left to him.

Table of Trade.

It will be seen from the following table of the values of goods imported by the members of the International Co-operative Wholesale Society that there has been a steady decline in the totals, of some £6,000,000 each year. Still, the decrease, on consideration, is not as formidable as it looks at the first glance. There are all the unfavourable world economic conditions to be taken into consideration—the currency restrictions of the various countries, the tariff barriers, and the generally prevailing low price levels. Indeed, the figure of £6,000,000 for the decrease in the year 1932 is not actual; the fact is the total of the import trade by Russia is not available, and this is not an inconsiderable item.

The greatest decrease is reported by England, some £2,000,000 in 1932, which compares well with nearly £4,000,000 in 1931. It is interesting to observe that France and Czechoslovakia have made

most remarkable advances, whilst Belgium and Norway, too, are on the upgrade.

The following tables show the Turnover and Imports of the various National Wholesale Societies for the years 1929 to 1932 :—

Turnover.

	1929.	1930.	1931.	1932.
	£	£	£	£
Austria.....	2,519,079	2,656,290	2,590,588	2,401,793
Belgium	1,322,061	1,269,032	1,086,717	1,047,949
Bulgaria.....	644,009	649,006	649,064	643,095
Czechoslovakia V.D.P.	3,675,632	3,009,234	2,909,867	3,007,941
Czechoslovakia G.E.C.	1,838,609	1,970,769	1,938,606	1,905,146
Denmark	7,802,302	7,908,217	7,245,882	7,446,723
England	90,002,169	82,247,074	82,066,739	82,247,740
Estonia	1,155,778	976,484	—	—
Finland S.O.K.	5,455,437	5,219,618	4,468,831	4,371,416
„ OTK.....	3,994,905	3,472,414	2,924,038	2,977,879
France.....	5,724,177	6,079,945	6,416,999	6,660,832
Germany.....	24,541,269	24,241,674	—	—
Holland.....	1,511,001	1,500,427	1,440,286	1,667,769
Hungary	2,457,459	2,285,283	2,091,629	1,676,329
Latvia	2,200,391	1,864,393	1,520,596	1,546,392
Norway	1,610,072	1,685,292	1,652,918	1,692,904
Poland	2,080,276	—	—	—
Russia	125,132,276	—	—	—
Scotland.....	18,352,766	17,682,450	16,568,845	16,147,823
Sweden.....	7,786,226	7,912,837	8,156,253	8,234,325
Switzerland	6,248,241	6,485,923	6,617,310	6,590,232
	<u>£316,054,135</u>	<u>£179,116,362</u>	<u>£150,345,159</u>	<u>£150,266,293</u>

Imports.

	1932.	1931.	1930.
	£	£	£
England	28,674,585	30,945,064	34,729,538
Scotland.....	3,875,903	4,471,510	4,224,422
Russia	—	3,758,810	4,054,795
Germany.....	2,270,967	2,293,385	3,765,696
Finland	1,027,652	1,204,367	1,512,216
Switzerland	965,384	1,074,550	991,630
Czechoslovakia	949,583	589,998	513,951
Austria.....	306,695	320,182	453,699
Estonia	204,725	281,618	353,832
Norway	232,682	207,772	208,437
Belgium	205,903	146,552	118,276
Poland	63,977	68,320	118,020
Holland.....	77,567	61,736	81,232
Bulgaria.....	4,498	3,888	6,017
France.....	1,072,891	397,454	346,442
Sweden.....	1,247,022	1,213,794	1,464,530
Latvia	—	—	201,779
	<u>£41,180,034</u>	<u>£47,039,000</u>	<u>£53,144,692</u>

The following table shows the analysis of the imports into goods :—

	1932.	1931.	1930.
	£	£	£
Cereals, Grain Products, Sugar, Peas, Beans and Seeds	10,022,190 ...	7,687,304 ...	10,657,726
Animal Fats and Meats, Dairy Produce, Vegetable and Mineral Oils	18,968,243 ...	22,451,592 ...	23,977,239
Colonial and Tropical Products, Fruit (Green and Tinned), Fish (Fresh and Tinned), Nuts and Perfumes	10,124,283 ...	13,049,361 ...	11,397,117
Textiles and Manufactured Goods.....	1,573,471 ...	2,626,103 ...	2,295,445
Timber, Minerals, Chemicals and Fibres....	491,847 ...	1,224,640 ...	762,190
Imports not analysed	—	—	4,054,795
	<u>£41,180,034</u>	<u>£47,039,000</u>	<u>£53,144,692</u>

The imports were drawn from all Continents in the following proportions :—

	1932.	1931.	1930.
	£	£	£
Europe	17,729,893 ...	20,726,093 ...	22,279,652
America	13,247,791 ...	10,609,736 ...	14,962,454
Africa	989,631 ...	697,297 ...	1,032,865
Asia	4,364,436 ...	6,237,107 ...	6,237,232
Australia.....	4,848,283 ...	5,009,957 ...	4,577,514
Russia's imports from all sources not analysed.....	—	3,758,810 ...	4,054,795
	<u>£41,180,034</u>	<u>£47,039,000</u>	<u>£53,144,692</u>

The following are the seven main commodities imported :—

	1932.	1931.	1930.
	£	£	£
Butter	8,404,323 ...	9,603,632 ...	9,730,505
Wheat	6,403,859 ...	4,774,476 ...	7,496,579
Bacon and Lard	5,222,734 ...	5,877,706 ...	6,418,754
Tea	2,929,554 ...	4,990,334 ...	4,464,056
Sugar.....	564,038 ...	570,285 ...	679,458
Coffee	1,616,977 ...	984,620 ...	1,289,760
Rice	401,708 ...	439,420 ...	488,614
	<u>£25,603,193</u>	<u>£27,240,473</u>	<u>£30,587,726</u>

R. STEWART (Scotland), President	} Members of the Executive Committee
W. BRADSHAW (England)	
G. BORGNER (Germany)	
J. CHEVREMONT (Belgium)	
A. J. CLEUET (France)	
A. JOHANSSON (Sweden)	
A. A. KISSIN (Russia)	
G. LORIA (Austria)	
M. MAIRE (Switzerland)	
K. A. SWART (Holland)	

R. F. LANCASTER, Secretary.

APPENDIX II.

INTERNATIONAL CO-OPERATIVE BANKING

REPORT OF THE INTERNATIONAL CO-OPERATIVE BANKING COMMITTEE.

The 13th International Co-operative Congress, held at Vienna in August, 1930, was the occasion of a Banking Conference, at which the following 16 nations were represented: Germany, Austria, Belgium, Bulgaria, France, Great Britain, Hungary, Latvia, Lithuania, Palestine, Poland, Roumania, Switzerland, U.S.S.R., Czechoslovakia and Yugoslavia.

Three new members were admitted at this Conference, namely, the Union of Peoples' Banks of Bulgaria, Sofia; "El Hogar Obrero" (C.W.S.), Buenos Aires; and the Co-operative Bank "Spolem," Warsaw.

The Conference passed the following Resolution:—

"The International Conference of Co-operative Banks held at Vienna on 23rd August, 1930, notes with satisfaction the progress achieved by the International Banking Committee in the establishment of a body of documentary information allowing of the growth of international co-operative relations through mutual acquaintanceship.

In asserting the progress achieved by most of the Banks and Banking Services affiliated to the Committee or supplying it with the necessary returns, the Conference has pleasure in observing that the Co-operative Movement is becoming increasingly independent of private capital and capable of finding the resources necessary for its development among its own Organisations.

The Conference further states that in a large number of countries general confidence is expressing itself to the profit of the central savings organisations of the Co-operative Movement up to the point of placing at their disposal resources in excess of the requirements indicated by the National Co-operative Movements, and that an excellent means of re-employing this surplus capital would be found in satisfying the requirements of Co-operative Movements which have not yet reached this stage of development.

Lastly, the Conference expresses the hope that the International Co-operative Congress will provide an opportunity for examining into the capacity of international co-operative finance, and the part which it is capable of playing in international co-operative commerce, whether through the establishment of an International Co-operative Bank, or through the most frequent and closest possible contact with the International Co-operative Wholesale Society and the International Co-operative Insurance Committee."

A Report on The Constitution and Functions of the Bank of International Settlements was submitted, and the discussion resulted in the adoption of the following Resolution :—

1. The Co-operative Banking Conference recommends to the Executive of the I.C.A. that it would be to the interest of the I.C.A. to enter into negotiations with the Council of the B.I.S. with a view to securing at least one co-operative seat on the Council.
2. The Conference points out that Article 44 of the Statutes of the B.I.S. anticipates the eventual establishment of Consultative Committees, and requests the I.C.A. to enter into negotiations with the Council so that the I.C.A. shall not be passed over as a representative of the consumers on the Committee.
3. Information received shall be communicated to members of the Committee.

On the proposal of the Hungarian representative, the Conference expressed the hope that the Co-operative Banks and Wholesale Societies would make use of the Co-operative Banks as correspondents.

At Vienna the Executive Committee was constituted as follows :—

T. G. Davies.....	Great Britain.
F. Albert	Germany.
A. Schvetsov.....	U.S.S.R.
Dr. B. Jaeggi	Switzerland.
F. Degeyndt.....	Belgium.
K. Komeda	Czechoslovakia.
Dr. K. Renner	Austria.

Mr. Gaston Lévy was re-elected Secretary of the Committee.

At Hamburg, December, 1930, the Committee was occupied with the relations between the Co-operative Banks and the Bank of International Settlements, and also with the gold problem under its two aspects : the amount of gold produced and its distribution throughout the world. In view of the importance of this question it was decided to ask the Secretariat to draw up a detailed report on the subject.

Brussels, 16th April, 1931. Following the constitution of the Bank of International Settlements, a report on the activities of this Organisation was submitted by the Secretariat at each meeting of the Banking Committee. In addition, in accordance with a previous decision and on the basis of Article 23 of the Rules of the Bank of International Settlements, the Secretariat asked the B.I.S., on behalf of the affiliated Co-operative Banks, under what conditions Co-operative Banks could open accounts with the B.I.S.

The latter replied that it only had relations with Central Banks and could not accept deposits from any others.

Enquiries had also been undertaken with regard to the amount of business carried on by the National Co-operative Organisations with : 1. Co-operative Banks ; 2. Private Banks recommended by the Committee ; 3. Private Banks.

Fifteen Organisations replied to this Questionnaire, and the information thus obtained enabled us to draw up a comparative table in £ sterling of the international business done, in 1930, with Co-operative Banks, Private Banks recommended by the Committee, and Private Banks.

The enquiry relating to foreign correspondents of Co-operative Banks and Wholesale Societies had been continued. A table, based on the information thus obtained relating to 26 Co-operative Organisations, was submitted to the meeting at Brussels.

Paris, October, 1931. A discussion on the Exchanges and the Gold Problem, and especially on the abandonment of the Gold Standard by Great Britain and the Scandinavian countries, led to the adoption of the following resolution :—

“The International Banking Conference assembled at Paris is in a position to state that the Co-operative Banks of all countries appear so far to be passing through the present crisis with the minimum of difficulty, and it is a matter for congratulation that the prudence which has always characterised the Co-operative Banks in the granting of credits specially reserved for the Co-operative Movement is a proof of the soundness of the Movement. The Executive and the Secretariat must keep in the closest possible touch with the affiliated Co-operative Banks in order to consider any difficulties which may arise.

From now onwards the affiliated Co-operative Banks must endeavour to support the efforts of their respective States to maintain, or to re-establish, the stability of their currencies.”

A note on the creation of an International Mortgage Credit Society was submitted at this Conference, the last paragraph of which was amended by the meeting as follows :—

“We note with interest the creation of an International Agricultural Mortgage Credit Society, but we believe that this step, arising from a particularly unfavourable though temporary condition of agricultural production to-day, is not sufficient, and that it is in the systematic and thorough organisation of agricultural co-operation, especially of agricultural credit, beginning from the bottom, that the solution of the agricultural crisis lies.”

Prague, July, 1932. A comparative table of the deposits of Co-operative and Private Banks, relating to 9 countries, was submitted at this meeting. This table, which has only a relative

importance in view of the fact that only the very large Private Banks publish any figures, shows, nevertheless, that, generally speaking, Co-operative Banks are in a better position than private ones.

The first report of the Secretariat on the Financial and Monetary Crisis was also submitted. This long memorandum traced in outline the origin and development of the crisis, the fluctuation of the discount rates in the various countries, and the effect of the crisis upon currencies. Then followed an examination of the progress of the crisis in a number of countries, the lesson to be drawn from it, and finally, a suggestion that the remedy was to be found in the co-operative formula, which strictly avoids speculation and devotes all its energies towards uniting in one organic group the development of production and the needs of consumption.

In presenting this report the Secretary pointed out that it had been prepared in an entirely objective manner. He drew special attention to the end of the report where it was shown that the crisis was the result of excessive speculation. In his opinion an examination of the operations of Co-operative Banks would show that they had suffered less than Private Banks and that they were capable, by themselves, of making a larger contribution to the solution of the crisis than the Private Banks were capable of doing.

The Executive at Prague admitted to membership the Workers' Bank of Palestine.

Geneva, 29th October, 1932. The Committee noted, at this meeting, the withdrawal from membership of the Co-operative Bank of Workers' Productive Associations in France, the Co-operative Bank of Estonia, and the Co-operative Transit Bank (Russian), Riga.

An enquiry had been made concerning the repercussions of the crisis on the affiliated Co-operative Banks, with a view to ascertaining the effects of the financial and monetary crisis on the situation in general and on co-operative activities in particular.

The enquiry covered the four following points: 1. Changes which have occurred in the assets of Co-operative Banks. 2. The effect on the amount of deposits. 3. Changes of policy concerning re-employment, particularly as regards the Co-operative Movement. 4. General considerations.

The Secretary read to the Conference a detailed statement of the replies received from 12 Co-operative Banks in 9 countries. At the close of the discussion it was unanimously decided—(1) That, as the replies to the Questionnaire were of a confidential nature the statement read by the Secretary should not be circulated,

(2) That, in accordance with the Secretary's suggestion, the Banking Committee should be asked to study the question of long-term credits for Co-operative Banks.

Vienna, 9th October, 1933. The Secretariat had continued its study on the financial and monetary crisis, and it was decided, during the discussion, that the Secretariat should continue its study of the question, and should concern itself especially with the experiment of the United States.

The Wholesale Society of Buenos Aires, "El Hogar Obrero," announced its withdrawal from the Banking Committee by a letter, giving as its reason the difficulty of obtaining the necessary permission to send money abroad.

The Secretariat had sent to the affiliated Banks Bulletins No. 15 (supplementary for 1931) and 16. The latter gives the current rates of 12 Banks and the balance sheets of 36 Co-operative Banks for 1932. In order to facilitate comparison, a synoptic table for 1930, 1931 and 1932 had been prepared. In accordance with the decision of the Executive at Prague, this table contained not only the figures in dollars, but also in the national currencies, which showed that the fall in certain items was only due to the fluctuation of the exchanges.

An analysis of this table revealed two phenomena : a diminution in the volume of trade bills and of transactions against security ; and an increase of stocks and shares and investments. On the other hand, deposits showed a slight but steady tendency to decrease. As a whole, Co-operative Banks have been affected only very slightly by the economic and financial crisis.

The dollar having lost, in 1933, its rôle as a unit of comparison of currencies, the question of a new basis arose with regard to the table of the exchanges which the Secretariat prepares each year in order to inform the Committee as to the changes which have taken place. The Committee has followed the example of the Statistical Bulletin of the League of Nations by calculating the percentages of the rise or fall of currencies in relation to the value of a theoretical gold dollar, established according to the quotations of the French franc in New York.

The Committee, having been instructed by the Conference at Geneva to study the question of Long-Term Credits for Co-operative Banks, the Secretariat presented a report on this subject to the meeting at Vienna. The crisis had resulted in an increase of demands for long-term credit. In order to meet these requests the Banks have two alternatives—either to invest their own resources in the form of investments, or to collect capital at long-term by means of the issue of obligatory loans. The Secretariat had studied the different types of obligatory loans employed by National Co-operative Movements, as well as the types of guarantee destined to cover the amount of

money advanced. Used regularly, and in strict conformity with the needs and financial equilibrium of the borrowing Society, as well as with the nature of the re-employment contemplated by the lending establishment, long-term credit can play an important rôle as the essential financier to the Co-operative Movement.

The Roosevelt Experiment.

In accordance with the decision at Vienna the Secretariat has devoted the last and most important part of its report on the crisis to the Roosevelt experiment.

The industrial and agricultural crisis in the United States was followed in 1933 by the banking crisis. President Roosevelt found himself confronted with the following situation: a mass of debtors unable to carry out their obligations owing to the decrease in their purchasing power; reduced consumption, resulting in an ever-growing over-production of manufactured goods, and causing a stoppage of production and unemployment extending to, between 14,000,000 and 15,000,000 people. In the face of such a position, President Roosevelt conceived a plan of recovery which should aim, first of all, at restoring the debtor's ability to pay, which would lead to the development of consumption and then to the renewed equilibrium between production and consumption.

The application of this plan was inaugurated by two events. On the 26th May, 1933, the President decreed the official suspension of the Gold Standard Act of 1900. On the 16th June, 1933, he promulgated the act for the reorganisation of national industry, called the National Industrial Recovery Act (N.R.A.).

The Secretariat of the Committee has made an extended and objective study of this plan for economic recovery—of which it may be said that it constitutes a unique experiment in history—and also of the difficulties attending its application with regard to its financing and the economic results attained up to the present.

APPENDIX III.

INTERNATIONAL CO-OPERATIVE ASSURANCE.

REPORT OF THE INTERNATIONAL CO-OPERATIVE ASSURANCE COMMITTEE.

The last three years have been marked by events of importance. In the realm of politics, revolutions, sometimes accompanied by bloodshed, have radically changed the régime of several countries. From the economic point of view the crisis, which was just beginning at the time of the Vienna Congress, has become much more acute, and has led to severe unemployment which has caused the greatest misery to tens of millions of workers.

We are glad to be able to say at once that, contrary to all expectations, neither the Assurance Committee nor its affiliated Societies have been greatly affected by these serious disturbances.

At Vienna.

The Conference held in August, 1930, decided upon the study of two very important questions :—

- a. Collective Assurance.
- b. Re-Assurance.

With regard to the latter, very satisfactory practical results have been attained, thanks to the existence of our Committee. At the present time a great many re-assurance contracts have been concluded between our Co-operative Assurance Societies.

Two objects have been achieved. On the one hand, the benefits arising from these contracts go to Co-operative Societies, and in this way their power is increased to the detriment of capitalist institutions. On the other hand, these business transfers are made with greater moral guarantees. Re-assurance rests on confidence, which is, obviously, stronger between men and organisations who are striving for the same ideal. Also, re-assurance relations between Co-operative Organisations are more easily established and have more stability than is customary in business to-day.

Documentation.

In order that each Society should be informed upon the strength and progress of its sister Societies, the Secretariat sends annually to each affiliated Society a complete table of all the balance sheets and profit and loss accounts. From this table we have extracted

the following figures in order that the development of our affiliated members may be appreciated :—

Amount of Premiums Paid (in £s).

These figures represent the position on the 31st December of the year in question. They have, therefore, been affected by the fall of the £.

Name of Affiliated Societies.	1928. £	1929. £	1930. £	1931. £	1932. £
Co-operative Insurance Society	4,184,162	4,396,871	4,641,936	4,934,609	5,220,660
La Prévoyance Sociale.....	119,901	152,788	193,046	319,065	346,813
Société Coop. d'Ass. and d'Ep. des Fonctionnaires Bulgares .	101,342	117,965	126,943	191,625	186,482
Andelsanstalten Tryg	217,171	226,376	236,671	245,869	234,152
Ethnische Versicherungsanstalt	—	—	—	49,208	44,401
"Kansa"	89,879	181,831	160,235	120,025	115,058
"Corvinia"	21,221	17,842	14,973	17,468	21,885
La Solidarité	15,887	18,816	21,368	22,780	38,224
Union Centrale Mutuelle d'Ass.	15,940	18,218	22,199	34,117	36,921
"Samvirke"	16,080	17,346	19,095	20,780	21,452
"Hassneh"	—	—	—	—	2,306
"Centrale Arbeiders"	203,326	195,337	215,531	227,863	347,238
"Vulturul"	3,907	—	—	13,173	19,228
"Folket"	312,984	337,166	356,523	392,423	395,555
"Samarbete"	215,135	250,891	315,701	353,620	345,620
"Czechoslovakia"	180,332	—	288,743	390,513	382,949
"Volksfürsorge"	1,309,165	2,000,344	2,495,280	3,603,226	—
"Eigenhilfe"	—	—	128,660	190,710	187,646
Total	£7,006,432	£7,932,591	£9,236,904	£11,127,244	£7,946,590*

* This decrease is due to the fact that the "Volksfürsorge," taken over by the Nazis, has withdrawn from membership. If it had been included for 1932 with a figure equal to that for 1931, the total for 1932 would have shown an increase over the preceding year.

Meetings of the Executive.

Since the Conference at Vienna, the Executive has not been idle. It has met at Brussels, on 16th April, 1931; Paris, 2nd October, 1931; Geneva, 29th October, 1932; Vienna, 9th October, 1933; Rotterdam, 10th March, 1934.

Last Respects.

We must pay tribute to the memory of Mr. Lesche, Director of the "Volksfürsorge," Hamburg, who was President of the Insurance Committee until 1930, and of whose death we regretfully learned in July, 1933.

A particularly genial personality, Fritz Lesche, formerly a workman, had attained the distinguished position which he occupied by the force of his remarkable personal qualities and his devotion to his task. He was always keenly interested in the Assurance Committee of the I.C.A. and his death is a real loss to us.

Executive Committee.

In order that the Committee may be truly representative of the different parts of Europe, the Executive will propose to the Conference at London the appointment of Mr. Nejedly, Director of "Czechoslovakia," as successor to Mr. Lesche.

In the event of the re-election of its other members the Executive will then be constituted as follows :—

- V. Tanner, President I.C.A.
- H. J. May, General Secretary I.C.A.
- J. P. Jones, C.I.S., Manchester.
- K. Eriksson, "Folket" and "Samarbete," Stockholm.
- C. Ganoff, Co-operative Assurance Society of Bulgarian Officials, Sofia.
- J. Nejedly, "Czechoslovakia," Prague.
- J. Lemaire, "La Prévoyance Sociale," Brussels.

New Studies.

Suggestions made at the Vienna Meeting in 1933 with regard to new studies to be undertaken have been examined and dealt with by the Executive.

1. Assurance Monopoly and the Interference of Public Authorities in Assurance.

This problem, which is a very vital one in nearly every country on account of the State reform which is everywhere being contemplated, is a question of life or death for all Assurance Societies. As Jean Jaurés said: "True courage is to seek the truth and to tell it."

Co-operative Assurance Societies, being more or less directly connected with the parties which advocate the State control of Assurance, should consider objectively, but as technicians, the advantages and disadvantages for the consumer and for the State of a nationalised system. There will be an opportunity at the Conference in London to discuss in detail this serious problem, and for a decision to be taken on a resolution submitted by the Executive defining its point of view on the question.

2. Social Interventions of Co-operative Assurance Societies.

The defence of the Assurance Monopoly rests on the criticism of free assurance. As regards free assurance, however, a distinction must be made between capitalist companies and societies formed by the Co-operative Movement in various countries. These latter institutions have, naturally, a different conception of their rôle. They in no way seek to favour the personal interests of a few shareholders but, on the contrary, seek to serve the consumer—and,

should occasion arise, the insured person—to the best of their ability in accordance with the Rochdale Principles, and also to render good services on all occasions by continuous effective social work.

It is this consideration which gives prominence to the report on this question drawn up by the Secretariat, of which we give the introductory note :—

“ State Assurance is contemplated and studied in many countries of Western and Central Europe. Its aim is sometimes of a social, sometimes of a fiscal, nature.

It is not the commercial exploitation of this special branch of human activity which inspires these ideas, but the manner in which the profits obtained are distributed. These profits, which are normal since they are nearly always less than 10 per cent. of the turnover, sometimes represent for a given year 100, 150, and even 200 per cent. of the subscribed capital. Thus the dividends are obviously too high for the money paid, and this clearly characterises the capitalist age in which we live.

But throughout the world there exist Co-operative Assurance Societies which have a different conception of economic life. Generally speaking, these Societies have supplied the remedy suited to this situation, paradoxical to the outsider but comprehensible to the initiated, who know how small is the place held in business by the working capital, except during the first few years. This remedy is the fixing, by law, of a maximum remuneration of 5 per cent. or 6 per cent. of the paid-up capital. The surplus is either returned to the insured person in the form of dividend or allocated to “ social works.”

In this way, anticipating the generous idea of some monopoly promoters, Co-operative Societies have not only had the same humanitarian ideas but have also applied them.

Capitalist Assurance Societies, although meeting a social need, have been formed with the sole object of granting large dividends to the shareholders.

Our Co-operative Assurance Societies have, generally speaking, studied primarily the interests of the insured person. On the one hand, they have benefited him by means of lower premiums, either directly by modest rates or indirectly by dividends at the end of the year, or by both these means. Insured Co-operative Societies have been chiefly favoured from this point of view. On the other hand, several Co-operative Assurance Societies have constituted a Benefit Fund for assured persons in distress.

But they have not limited their beneficent action to this. They have recognised the miseries around them and have tried to reduce them. Many clinics, sanatoria, hospitals and

dispensaries owe their existence solely to Co-operative Assurance Societies. Some of these Societies have established general or specialised services of medical research. Pamphlets dealing with hygiene and the best methods of preventing disease have been distributed by thousands. Educational colonies have also been heavily subsidised.

But apart from their actual gifts, Co-operative Assurance Societies also do social work by means of their investments. We will only give here, as an example, the help given to Societies for the construction of cheap dwellings, certain kinds of loans being advantageous to those with small savings and to democratic institutions.

Finally, the Societies belonging directly or indirectly to a Party, always of the left, give to it considerable financial support towards improving the conditions of the workers and sharing in their intellectual and material emancipation.

These, in brief outline, are some of the features which mark the difference between capitalist societies, which only study the personal interests of their shareholders, and Co-operative Assurance Societies, which are organisations of public utility."

3. Financial Investments of Assurance Companies.

Mr. Lesche, who had undertaken this question, drew up a very detailed report on the subject, and the Committee definitely accepted it after the death of the reporter as a mark of esteem to his memory. A copy of this report, which gives the information required by those who wish to make use of it, will be sent, before the Congress, to all the affiliated members of the Assurance Committee.

4. Mortgage Loans Combined with Life Assurance.

Mr. Jones has prepared a Note on this combination which is widely known at the present time. This, like the other reports, will be submitted to the Conference at London and everyone can obtain useful information from them.

5. Under-Average Lives.

A Note on this subject will be submitted by Mr. Jones. The Executive is endeavouring to find a basis for an international agreement which will enable all the affiliated Societies to deal with this type of risk.

Membership.

Since 1930 we have received two new members—"Eigenhilfe," Hamburg, and "Hassneh," Palestine. On account, however, of the change of government in Germany, two Companies—"Volkspfürsorge" and "Eigenhilfe"—have withdrawn from membership.

We are also in communication with two new Co-operative Assurance Societies which have just been formed, one in Spain and the other in Palestine, and hope shortly to secure their inclusion in the Assurance Committee.

Conclusion.

We are glad to be able to declare that, contrary to the stagnation which has overtaken nearly all industrial and commercial enterprises, the majority of our Co-operative Assurance Societies are in a flourishing condition, comparable to that which they experienced during the most prosperous years. This increased evidence of thrift and foresight is all to the credit of the working classes who, in this way, manifest their desire to create better conditions by means of organisation, order, and peace.

JOSEPH LEMAIRE,
Secretary.

APPENDIX IV.

INTERNATIONAL CO-OPERATIVE WOMEN'S GUILD.

REPORT OF THE COMMITTEE.

The International Guild was born in troublous times, at the beginning of the great economic decline which cast its first shadows before it as far back as 1921. But the four years since the Vienna meetings have been the most difficult both for the Co-operative Movement as a whole and for the housewives comprising the Guild, whose budgets are the true measure of the world's prosperity or want. These difficulties have necessarily affected the Guild's rate of progress but, nevertheless, a substantial advance has been made, not only in membership by the affiliation of three new organisations, but in the more intangible gains of prestige, consciousness of strength and capacity for combined action. Looking back over the four years an increasing eagerness to enter the International Guild is evident among co-operative women, and a growing desire on the part of Co-operative Unions to initiate and foster Women's Guilds.

The international campaigns have been better carried out, and although on both Cash Trading and Disarmament—the two principal campaigns of the period—there were affiliated countries which did not participate, there has been greater and more sustained action than in previous years. The disarmament campaign, especially, called forth the most intense and widespread international effort and brought a new sense of solidarity and a new realisation of the value of international organisation.

The Guild's work for disarmament brought it into relationship with many other bodies and gave an opportunity to bring before new and interested circles the social purpose of Co-operation and the relation of its trading activities to these wider issues. As a women's organisation with access to circles not always open to the Movement as a whole, the Guild has sought to take advantage of every such occasion for preaching Co-operation as the only true remedy for the world's present ills. Other opportunities arose with the Economic Conference of the Women's International League for Peace and Freedom at Paris in April, 1931, addressed by the President; the Amsterdam Conference on World-Planning in August, 1931, addressed by the Secretary; and the Jubilee Conference convened by the American National Council of Women at Chicago in August, 1933, to which the President contributed a paper on "Co-operation and Civilisation."

Work and Progress of Affiliated Guilds.

Since our last report was issued the Organisations of German-Czechoslovakia, Bulgaria, and the Polish Ukraine have affiliated to the International Guild, which now numbers 15 national members.

In **Austria** most of the organisation of propaganda work, which is the central feature of co-operative activities, is now in the hands of the women. The 1933 Women's Conference determined to win 10 per cent. more members for every Society by the spring of 1934. The **Belgian Guild** has now 154 branches and the holders of accessory capital number 5,164. Successful campaigns for co-operative productions resulted in a 25 per cent. increase in sales during 1933, while other activities have been efforts to organise children's sections and holiday homes, and assistance for unemployed members. The outstanding activities of the **Bulgarian Guild** have been propaganda work for "Napred," the entire responsibility for Co-operators' Day demonstrations, and the organisation at Sofia of two exhibitions of co-operative literature, that held in 1933 being visited by 5,000 people. Guild efforts have led to the formation of a Seamstresses' Society and a Children's Co-operative. The Central and Sub-Branched of the **Czech Guild** now number together 679 with an active membership increased from 1,800 to 3,100. Four Conferences were held during the period, that of 1933 setting Guildswomen the task of doubling the membership and turnover of all Societies within the next 10 years. Two women are members of the Board of the Union and women are taking a prominent part in discussions at Union Congresses. The **Women's Section** of the **German Union of Czechoslovakia**, numbering 18 local sections, has been active in working for reducing outstanding debts, raising the percentage of members' purchases, and increasing paid-up shares. The 1931 Conference set itself the task of winning 16,000 new members and the subsequent campaign brought in 13,000. The Union pays tribute to the women's splendid work and urges the election of more women to Members' Councils. In **England** the 50th Jubilee of the Guild was held in June, 1932. Guild membership has reached 72,388 and, in addition to the weekly meetings and social gatherings of the 1,513 branches, 749 District and 64 Sectional Conferences have been held during the 4 years. Successful cocoa competitions were a feature of its campaign for co-operative productions and a far-reaching Trade and Membership campaign covering the entire country was inaugurated in 1931 and continued in 1932 as a drive to bring in Trade Unionists. A campaign to secure the provision by all local authorities of milk for school children was accompanied by efforts to induce Societies to tender for the contracts. The Guild has been active in organising resistance to the new tax on Co-operative Societies, and pushing the sales of co-operative publications. In **France** the Central Organisation no longer exists, and unless it can be speedily revived France will unfortunately cease to be a member of the International Guild. Guild membership in **Holland** has

increased 25 per cent. Lectures, comparative exhibitions of private and co-operative goods, co-operative plays and successful campaigns to increase the sales of co-operative productions, have formed part of the Guild's activities, a new venture being a Summer School held at Zwolle in 1933 and attended by 97 women. The **Irish Guild's** branches now number 44, with a membership of nearly 3,000 and in addition to its co-operative educational work it has taken up the question of Children's Courts. Guild membership in Norway has increased from 2,000 to 3,000. An investigation into housing conditions with a view to the establishment of Co-operative Housing Societies, the publication and distribution of 65,000 copies of a pamphlet for housewives, and the inauguration of a Summer School in 1933, have been salient features of the Guild's work. The newly affiliated **Ukrainian Guild of Poland** has 9 branches with a membership of 730. It has gained 1,300 new women members for local Societies, has issued three pamphlets, and organised a school for speakers. Campaigns on Cut Price Policy; Co-operative Productions; and Low Dividends; and the organisation of short period schools in conjunction with the Co-operative Party are reported by the **Scottish Guild**, which now has 386 branches and 30,023 members. A reduction of prices as a result of the Guild agitation brought increased sales and membership to several Societies. An increase of membership to 9,497 and the addition of 90 new branches marks the progress of the **Swedish Guild**. At its 25th Jubilee in 1932, the Guild established a Jubilee Fund of 10,000 Crowns, the interest on which is to be used for travel-scholarships, and received a gift from the Union of 10,000 Crowns to provide scholarships for Guild members to the Folk High Schools. Very popular Summer Schools have been held each year. **Women's Commissions** now exist in 32 **Swiss Societies** and a further 51 contemplate their formation. Valuable enquiries were conducted by the Guild into the position of women in the Movement and the incidence and methods of credit-trading in Switzerland. Campaigns have been carried out against coupon-trading and for the supply of non-alcoholic drinks by Societies. In the **U.S.S.R.**, where some 20,000,000 women are members of Co-operative Societies, the chief activities of the Women's Organisation have been the establishment of services to relieve women of household duties, the organisation of co-operative restaurants, mechanised laundries, playgrounds, etc.

Spread of the Guild Movement.

In 1932 a Women's Propaganda Committee was formed in Catalonia, **Spain**, to organise women's activities, and Guilds now exist in 9 local Societies. Practical work has included the translation and distribution of over 8,000 copies of the International Guild's pamphlet "The Power of the Market Basket," the starting of a Women's Co-operative Seamstresses' Society, the encouragement of young people's groups, etc. Guilds have now been formed in

Madrid and Bilbao. Circles of Active Co-operative Women were inaugurated in Poland in 1930. The Warsaw branch secured the establishment of a highly successful co-operative laundry, while Lodz Guildswomen have started a holiday home. The Guild connected with the General Society of Budapest, Hungary, has now 16 branches with attendances varying between 40 and 230. A number of women have become promising speakers and organisers and are doing valuable work in gaining new members. Educational work covers a wide range of subjects, and popular features are the health talks at which members can get advice from doctors. A national Guild was formed in Estonia in 1931, while steps are being taken to form one in Latvia, where a year ago women's membership in Societies was 22.3 per cent. A Guild is also in course of formation in Serbia, under the auspices of the General Union of Agricultural Societies, and in Denmark a local Guild has been inaugurated in Copenhagen. In Finland the K.K. Union reports that the Central and Local Women's Committees now number some 239, and 42,385 women attended the sewing-meetings with addresses on co-operative subjects during 1933. Contact has been maintained with Greece and Roumania and relations have been established with the women of Turkey.

There is now a fully-constituted Guild in New South Wales, Australia, which has been active for the extension of the co-operative press and co-operative productions, the establishment of Young People's Circles, and the inclusion of Co-operation in the curriculum of the State Schools. On the initiative of the Northern States Guild, itself an organisation federating 51 branches, a National Women's Committee was instituted in 1932 in the U.S.A. to extend and co-ordinate the Guild Movement and prepare for a National Women's Conference. Many new branches have been formed and both the Eastern and Central States Leagues have taken steps to organise their women. The local Guilds have done specially good work in organising instructional Holiday Camps for young people, and campaigning for subscriptions to the co-operative press. The first Women's Guild in South America was inaugurated in 1933 under the auspices of the Buenos Aires Society. A regular correspondent with the International Guild has been appointed.

In India co-operative women are specially active in Bihar and Orissa, where a yearly Women's Conference is held; in Bombay, where the Women's Stores are a prominent feature; and in Mysore, where a Women's Banking Society won the shield offered by the Provincial Co-operative Congress. In Japan the organisation of District Conferences is a step towards uniting the numerous local Guilds. Contact has been established with the women in Palestine, who are particularly active in the Movement there, especially on the agricultural side.

International Campaigns.

The Vienna meetings left the Guild certain definite tasks which have constituted the main lines of joint effort in the succeeding years.

Following up the Conference recommendation that the subject of Mothers of the Future should receive further study, investigations have been carried out to ascertain, on the one hand, what communal services exist in different countries, how far they are under co-operative or public control, and what additional services women are demanding; and, on the other hand, into different systems and experiences in family allowances. The intention had been to present a different aspect of the question—namely what the Co-operative Movement itself can do through social services and enterprises to raise the economic status of the housewife—to the Conference in London, but more urgent questions have supervened owing to recent changes in the international and co-operative situation.

After the I.C.A. Congress discussion on credit trading, it was decided to urge all the national Guilds to take the paper presented to the Alliance Congress as the basis of an anti-credit campaign. The office undertook to make an enquiry into those methods of credit trading both inside and outside the Movement that most easily attract women, and the best methods of combating them. Ten of the 13 Guilds then affiliated took action, and a vigorous campaign was carried out through the press, pamphlets, circulars, etc. The report of the enquiry conducted by the International Office was adopted by the Committee at its meeting in June, 1933.

In order to give effect to the Vienna resolution charging Guildswomen to intensify their efforts for Peace, the Guild in 1931 approached all the important International Organisations suggesting that a People's Disarmament Conference be held simultaneously with the official Disarmament Conference at Geneva, in order to concentrate public opinion and exert pressure on the official Conference. When it proved impossible to get the necessary collaboration between the various organisations the Guild approached the International Co-operative Alliance as to the possibility of a Co-operative Disarmament Campaign, but the decision taken by the Central Committee was a negative one. The Guild, therefore, decided to collaborate with the Women's Disarmament Committee established in Geneva, on which it was already represented as an observer, and for the first six months of the Conference the Secretary resided in Geneva to keep the National Guilds in touch with the Conference proceedings and advise them when special pressure became necessary. A generous donation met the expenses involved without touching Guild funds. Both the President and the Secretary took part in the presentation of the 8 million signatures collected to the Peace Petition. The Committee soon acquired a reputation in Geneva as one of the most

active bodies working for Disarmament, and the Guild as one of its progressive elements. The work of the Conference and its various Commissions was closely followed, and detailed reports sent to the National Guilds with suggestions as to the action needed. The response was magnificent. From national and local Guilds resolutions, letters and telegrams were showered upon the President of the Conference, national delegations and the Home Governments, and drew a special mention from Mr. Henderson. Although no Guild representative could remain in Geneva after July, 1932, the Guild's campaign for Disarmament continued unabated, in spite of bitter disappointment at the abortive results of the Conference. In June, 1933, the International Guild telegraphed to President Roosevelt assuring him of its support for his 4 points, and at its meeting in London the same month the Guild Committee adopted a strong resolution, which they subsequently presented to Mr. Henderson by deputation, thanking him for his conduct of the Conference, but stressing their disappointment at the lack of concrete results. On the re-opening of the Conference in October, co-operative women from all over the world sent telegrams, resolutions, etc., to the great demonstration held in Geneva.

Other Public Work.

The Guild collaborated with other Women's Organisations in an effort to get the League Assembly to recommend a revision of the unsatisfactory provisions regarding the nationality of married women in The Hague Convention on the Codification of International Law, and to urge the acceptance of the principle of equality between the sexes. The Assembly, however, advised ratification of the Convention with provision for subsequent revision.

On the adoption by the 1931 Assembly of the Spanish resolution concerning the collaboration of women with the League of Nations, the Guild was one of the organisations invited by the Secretary General to express its views on the question. The Committee submitted a memorandum emphasising the fact that equality of status between men and women was the first condition for effective collaboration, and making some practical suggestions as to methods of closer collaboration pending the attainment of such equality. Though a valuable report was presented, the Assembly resolution in 1932 was somewhat disappointing.

The Guild has continued its activities in connection with Mother and Child Welfare Work, particularly with regard to maternal mortality, a question of deep concern to many of its members. Inquiries made in 23 countries showed that the phenomenon of a high or rising maternal death rate is widespread, and the Guild approached the Health Committee of the League of Nations with the request that they would carry out an official investigation into the causes of maternal mortality. Financial difficulties prevented such an investigation but, in a sympathetic reply, the Guild was referred to the Reporting Committee on Maternal and Infant

Welfare already set up by the League, and submitted to them a Memorandum on Possible Contributory Causes of Maternal Mortality and Ill-Health, which aroused considerable interest both at the League and in medical and labour circles, particularly in England and Canada.

In an endeavour to secure representation for women at the World Economic Conference, a letter was sent early in 1933 to the President of the Conference asking for his assistance in this connection. This effort, however, failed, and when the Conference met the Guild Committee submitted a reasoned statement of the views of co-operative women, emphasising that only a redistribution of wealth as between production and consumption could overcome the crisis, and pointing out that the co-operative system equated production and requirements.

Representation at Conferences.

In addition to co-operative gatherings in Sweden, England and Belgium, the more important Conferences at which the Guild was represented included the Conference on Peace held by the International Women's Suffrage Alliance at Belgrade in 1931, the World Planning Conference at Amsterdam in the same year, and the International Rural Women's Conference at Stockholm in 1933. The President was the fraternal delegate of the Guild at the International Conference of Socialist Women at Vienna in 1931, where, on a motion for the formation of special Housewives' Committees to further the economic and public interests of the housewife, the co-operative women present made a strong plea for the Co-operative Movement and its Women's Guilds to be recognised as the appropriate machinery, and succeeded in getting the motion referred back for further consideration.

Housewives' Programme.

These developments showed the necessity for the Guild, which has always acted as the Housewives' International, to formulate and synthesise the needs, demands and objectives of the housewife in a comprehensive programme, and a twofold programme, embodying her demands in the home and public life, and her demands for and from the Co-operative Movement as the Housewives' Trade Union, was adopted by the Committee.

Meetings of the Committee.

The Committee has held two meetings, the first in March, 1932, at Freidorf, Basle, the principal business of which related to arrangements for the Conference, and the Geneva Disarmament Campaign, and the second in London in June 1933, necessitated by the postponement of the Conference till 1934.

On behalf of the Committee,

EMMY FREUNDLICH, President.

A. HONORA ENFIELD, Secretary.

APPENDIX V.

LIST OF MEMBERS of the INTERNATIONAL CO-OPERATIVE ALLIANCE.

The rules of the Alliance provide for the admission of members under two categories, (1) those Unions or Federations which are national in their scope and which desire to join the Alliance with all their constituent members; these are termed "Collective Members" (Articles 8*a* and *b* and 16III.). (2) Those Societies, Unions, or Federations which have local, district, or national dimensions, and are admitted as single units. These are termed "Individual Members" (Article 8*c*, *d*, and *e*, and 16II.).

COLLECTIVE MEMBERS

Country.	Name of Organisation.	No. of Societies affiliated in 1933
AUSTRIA.....	Zentralverband österr. Konsumvereine, Vienna.	219
BELGIUM	Office Coopératif Belge, Brussels.	86
BULGARIA	Centrale Coopérative "Napred," Sofia.	56
	Union des Banques Populaires, Sofia.	171
CZECHOSLOVAKIA ..	Ústřední Svaz Československých družstev, Prague.	939
	Verband deutscher Wirtschaftsgenossenschaften, Prague.	170
FINLAND	Yleinen Osuuskauppojen Liitto, Helsinki.	418
	Kulutusosuuskuntien Keskusliitto, Helsinki.	111
	Osuustukkukauppa R.L., Helsinki.	109
FRANCE	Fédération Nationale des Coopératives de Consommation, Paris.	1,237

Country.	Name of Organisation.	No. of Societies affiliated in 1929
HOLLAND	Centrale Bond van Nederlandsche Verbruikscöoperaties, The Hague.	137
ICELAND.....	Samband Isl. Samvinnufjelaga, Reykjavik.	39
✓ INDIA	All-India Co-operative Institutes' Association, Bombay.	19 (unions)
	Punjab Co-operative Union, Ltd., Lahore.	152
NORWAY.....	Norges Kooperative Landsforen- ing, Oslo.	472
POLAND	Zwiazek Spoldzielni Spozycow, Warsaw.	821
SPAIN	Federación Nacional de Co- operativas de España, Madrid.	288
SWEDEN	Kooperativa Förbundet, Stockholm.	803
SWITZERLAND	Verband schweiz. Konsum- vereine, Basle.	529
U. S. A.	The Co-operative League, New York.	573
U.S.S.R.		
Armenia	L'Union des Sociétés Coopératives de l'Arménie "Aycoop," Erivan.	
Azerbaijan	Union of Co-operative Societies of Azerbaijan "Azerittifak," Baku.	
Georgia	Union Coopérative de la République géorgienne "Tsekavshiri," Tiflis.	
Russia	All-Russian Central Union of Consumers' Societies "Centrosoyus," Moscow.	
	All-Russian Co-operative Bank "Vsekoobank," Moscow.	
Ukraine	Allukrainischer Genossenschaftsverband "Wukospilka," Charkow.	
	Allukrainische Genossenschaftsbank "Ukrainbank," Charkow.	
	Allukrainische genossenschaftliche Bücherhandels- und Bücherverlags- gesellschaft "Knyhospilka," Charkow.	
White Russia	White Russian Central Union of Consumers' Societies "Belcoopsoyus," Minsk.	

INDIVIDUAL MEMBERS.

Country.	Name of Organisation.
ARGENTINE.....	"El Hogar Obrero," Buenos Aires. Asociación Cooperativas Argentinas, Rosario de Santa Fé.
BULGARIA	Société Coopérative d'Assurances et d'Epargne des Fonctionnaires Bulgares, Sofia. Banque Centrale Coopérative de Bulgarie, Sofia. Union des Banques Nationales Coopératives, Sofia.
CANADA	The Co-operative Union of Canada, Brantford, Ontario. British Canadian Co-operative Society, Sydney Mines.
DENMARK.....	De Samvirkende danske Andelsselskaber, Copenhagen. Det Kooperative Faellesforbund i Danmark, Copenhagen.
ESTONIA.....	Eesti Tarvitajateühisuste Keskuhisus, Tallinn.
FINLAND.....	Society "Pellervo Seura," Helsinki. Paloapuyhdistys "Kansa," Helsinki. Vakuutusosakeyhtiö "Kansa," Helsinki. Finlands Svenska Andelsförbund, Helsinki.
FRANCE.....	Chambre Consultative des Associations Ouvrières de Production, Paris. Fédération Nationale de la Mutualité et de la Coopération Agricoles, Paris. Caisse Nationale de Crédit Agricole, Paris.
FRENCH WEST INDIES	Confédération de la Mutualité et de la Coopération Agricoles, Guadeloupe.
GREAT BRITAIN.....	The Co-operative Union of Great Britain, Limited, Manchester. And about 500 Societies.
HOLLAND	Coöperatieve Groothandelsvereniging "De Handelskamer," Rotterdam.
HUNGARY.....	Magyarországi Szövetkezetek Szövetsége, Budapest. Magyarországi Fogyasztási és Termelőszövetkezetek Egyesülése, Budapest. Grosseinkaufs- und Verwertungs-Aktiengesellschaft, Budapest.

Country.	Name of Organisation.
HUNGARY (Continued)	
	"Diligentia" Sparcassen Aktiengesellschaft, Budapest.
	Altalanos Fogyasztási Szövetkezet, Budapest.
	Corvinia Allgemeine Versicherungs-Actien- gesellschaft, Budapest.
✓ INDIA	Bengal Co-operative Organisation Society, Limited, Calcutta.
✓ JAPAN	Sangiokumiai Chuokai, Tokyo.
✓ KOREA	Chosen Kinyukumiai Rengokai, Keijo.
LATVIA	Latvijas Tautas Banka, Riga.
	Verband der Konsumvereine Lettlands, Riga.
	Latvijas Piansaimniecibas Centrala Savieniba, Riga.
LITHUANIA.....	Lietuvos Koperatyvu Taryba, Kaunas.
MONGOLIA	Central Mongolian People's Co-operative Society "Moncenkop," Ulan-Bator-Hoto.
PALESTINE.....	General Co-operative Association of Jewish Labour in Erez-Israel "Hevrat Ovdim," Ltd., Tel-Aviv.
PERSIA	Société Coopérative de Consommation "Randj," Tauris.
POLAND.....	Zwiazek Rewizyjny Spoldzielni Wojskowych, Warsaw.
	Landesverband der ukrainischen Konsum- genossenschaften "Narodna Torhowla," Lemberg.
	Revisionsverband Ukrainischer Genossen- schaften in Lwow, Lemberg.
ROUMANIA	Oficiul National al Cooperatiei Române, Bucharest.
	Banca Centrala Cooperativa, Bucharest.
SOUTH AFRICA	Pietermaritzburg Co-operative Society, Ltd., Pietermaritzburg.
SWITZERLAND.....	Verband ostschweiz. landwirtschaftl. Genossenschaft, Winterthur.
	Verband der Genossenschaften "Konkordia" der Schweiz, Zürich.
	Schweizerische Genossenschaftsbank, St. Gallen.

Country.	Name of Organisation.
TURKEY	Union des Coopératives Agricoles de Vente d'Aydin, Izmir.
YUGOSLAVIA	Glavni Zadružni Savez u Kraljevini Jugo- slaviji, Belgrade. Landwirtschaftliche Zentral-Darlehenskasse, Novisad.

APPENDIX VI.

TOTAL SUBSCRIPTIONS RECEIVED FROM EACH COUNTRY, 1930-1933.

Country.	1930.	1931.	1932.	1933.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Argentina	12 0 0	12 0 0	2 0 0	2 10 0
Austria.....	100 0 0	100 0 0	80 15 10	100 0 0
Belgium	62 10 0	62 10 0	64 0 0	80 17 5
Bulgaria.....	54 5 0	58 9 0	77 13 8	77 5 11
Canada.....	114 6 8	12 0 0	12 10 0	7 11 1
Czechoslovakia ...	198 16 10	215 17 7	233 16 4	309 2 0
Denmark	210 0 0	210 6 0	213 0 0	214 12 6
Estonia	10 0 0	10 0 0	15 0 0	15 0 0
Finland	231 10 0	231 10 0	276 7 0	360 6 6
France.....	397 0 10	387 18 11	529 19 6	571 13 11
French West Indies*	—	—	—	2 0 0
Germany.....	424 0 0	514 0 0	510 10 0	509 5 8
Great Britain	2,069 11 6	2,073 3 6	2,057 7 0	2,199 16 6
Ireland.....	53 5 0	59 6 0	81 9 6	87 6 5
Hungary.....	60 0 0	200 0 0	—	10 0 0
Iceland.....	11 19 0	11 19 0	11 17 0	17 1 0
India.....	37 9 0	46 19 0	45 4 0	27 12 0
Japan.....	10 0 0	10 0 0	10 0 0	10 0 0
Lithuania.....	55 0 0	51 14 0	26 0 0	28 0 0
Latvia.....	10 0 0	10 0 0	13 10 3	15 0 0
Luxembourg.....	1 0 0	—	—	—
Norway.....	—	7 10 0	7 10 0	7 10 0
Norway.....	31 19 0	32 14 0	33 3 0	60 11 0
Palestine.....	20 0 0	20 0 0	10 0 0	20 0 0
Persia	0 10 0	1 0 0	1 0 0	1 0 0
Poland	130 0 0	126 0 0	138 13 7	142 18 2
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South Africa** ..	—	1 10 0	1 18 8	—
Spain.....	20 10 0	20 10 0	20 0 0	20 0 0
Sweden	219 8 0	219 8 0	290 12 0	517 0 0
Switzerland	131 10 0	141 10 0	143 7 7	203 8 8
Tannu-Tuva.....	3 0 0	—	—	—
Turkey	5 0 0	5 0 0	7 0 0	8 0 0
U.S.A.	34 18 1	34 18 1	46 7 11	50 0 9
Yugoslavia	30 0 0	20 0 0	18 7 1	27 15 4
U.S.S.R.—				
Armenia.....	18 2 0	2,760 0 0	2,750 0 0	2,750 0 0
Azerbaijan ...	35 8 0			
Georgia	29 10 0			
Russia	1,419 2 0			
Ukraine.....	988 12 0			
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	£7,290 0 5	£7,710 10 7	£7,738 19 11	£8,467 16 10

* Admitted in 1933.

** Admitted in 1931.

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