

International Co-operative Alliance.

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



REPORT

OF THE

PROCEEDINGS

OF THE

Twelfth International

Co-operative Congress

AT

STOCKHOLM.

15th to 18th August, 1927.

LONDON:

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TABLE OF CONTENTS.

	PAGE
Committees of the I.C.A. :—	
I. Executive	7
II. Central Committee	7
III. Committee of Honour	8
IV. Congress Committee	9
Past Congresses	9
Congress Reception Committee	10
Standing Orders	11
List of Representatives and Delegates :—	
Guests of Honour	13
Members of Committee of Honour	13
Members of Central Committee	13
Delegates of Constituent Members	15
Opening of the Congress	27
Address of Welcome, Mr. Johansson, President. Kooperativa Förbundet	28
Address of Welcome. His Excellency Eliel Löfgren, Swedish Foreign Minister... ..	31
Inaugural Addresses :—	
Mr. E. Poisson (Vice-President, I.C.A.)... ..	32
Mr. A. Whitehead (Vice-President, I.C.A.)	38
Fraternal Greetings from Other Organisations :—	
Secretariat of the League of Nations—	
Mr. F. T. B. Friis	40
Sir Arthur Salter	41
International Committee for Universal Free Trade—	
Sir George Paish	43
International Labour Office, Geneva—	
Mr. Albert Thomas	145
Resignation of the President of the Alliance, Mr. G. J. D. C. Goedbart	48
Appointment of Tellers... ..	50
Report of the Central Committee on the Work of the I.C.A., 1924-1926	51
Discussion on the Report —	
Communist Propaganda	116
Policy of International Co-operation	120 ✓
Resolution	125

TABLE OF CONTENTS—*continued.*

Amendments to the Rules of the I.C.A.	130
Congress Papers on Special Subjects:—	
I. "Relations Between Consumers' and Agricultural Co-operative Societies," by Mr. Bernhard Jaeggi (Switzerland)	149
Discussion on the Paper	163
II. "Problems of Modern Co-operation," by Mr. Albin Jobansson (Sweden)	173
Discussion on the Paper	204
Report of the Central Committee (continued from page 129)	213
Activities of the National Organisations, 1924-1926	215
Resolution	228
"World Peace"—Resolution of British Union	229
"Collaboration with International Federations of Trade Unions"—Resolution of "Centrosoyus," Moscow	235
"Future Activities of the Alliance"—Resolution of "Centrosoyus," Moscow	237
Amendments to the Rules of the I.C.A. (continued from page 133)	242
Election of the Central Committee	246
Elections to the Committee of Honour	247
Place of the Next Congress	247
Thanks to Kooperativa Förbundet	247
Close of the Congress	248
Special Conference on Methods of Co-operative Propaganda and Education:—	
Paper I. "The Promotion of Co-operative Advertising and Propaganda," by Mr. Onni Toivonen	249
Paper II. "International Collaboration for Promoting the Technical Education of Co-operative Employees and Members of Administrative Organs," by Mr. J. W. Keto, M.A.	258
Discussion on the Papers	268
The International Co-operative Press and Propaganda Exhibition	281
The Pyramid of the I.C.A.	286
Appendices:—	
I. List of Members of the I.C.A.	287
II. List of Subscriptions, 1924-26	291
List of Speakers	292

THE
COMMITTEES
OF THE
ALLIANCE.

International Co-operative Alliance.

Founded 1895.

President:

G. J. D. C. GOEDHART.

Vice-Presidents:

A. WHITEHEAD. E. POISSON.

Members of the Executive:

Sir T. W. ALLEN, W. GREGORY, H. KAUFMANN, VICTOR SERWY,
Dr. A. SUTER, ANDERS OERNE, EMIL LUSTIG, L. KHINCHUK.

General Secretary:

HENRY J. MAY.

Members of the Central Committee:

ARMENIA.....	N. Courselle.
AUSTRIA	Dr. Karl Renner, Mrs. Emmy Freundlich.
AZERBAIDJAN	A. Faradge-Sadey.
BELGIUM.....	Victor Serwy.
BULGARIA	K. T. Bozveliève.
CZECHO-SLOVAKIA...	Emil Lustig, Adalbert Fiser, Anton Dietl.
DENMARK.....	L. Broberg, Anders Nielsen.
ESTONIA	J. Kukk.
FINLAND.....	Viktor Fagerström, Väinö Tanner, P. Raittinen.
FRANCE.....	Professor Charles Gide, A. J. Cleuet, E. Poisson, Albert Thomas.
GEORGIA.....	M. G. Toroshelidze.
GERMANY	E. Berger, H. Everling, Heinrich Kaufmann, A. Kasch, H. Lorenz.
GREAT BRITAIN.....	Sir Thomas Allen, W. Gregory, A. H. Jones, W. R. Rae, R. Stewart, A. Whitehead, J. J. Worley.

HOLLAND	M. Van der Horst.
HUNGARY	Elemer de Balogh.
ITALY	A. Vergnanini.
LATVIA	Vilis Silin.
LITHUANIA	Petras Salcius.
NORWAY	A. Juell.
POLAND	M. Rapacki.
ROUMANIA	C. Cercel.
RUSSIA	L. M. Khinchuk, A. A. Kissin, J. E. Luibimoff, A. Schvetsov.
SPAIN	J. Ventosa Roig.
SWEDEN	Anders Oerne, Albin Johansson.
SWITZERLAND	B. Jaeggi, Dr. A. Suter.
UKRAINE	G. M. Blacher, M. I. Dyhne, A. E. Goettler, A. B. Guenkin, S. I. Kolchinski, A. Odinzow, -- Wetochnik.
UNITED STATES ...	Dr. J. P. Warbasse.
YUGO-SLAVIA	Michael Avramovitch.

Committee of Honour :

Louis Bertrand.....	}	BELGIUM.
Edouard Anseele		
Sir William Maxwell.....	}	GREAT BRITAIN.
James Deans		
H. W. Wolff		
Margaret Llewelyn Davies ...		
Juan Salas Anton		SPAIN.
Dr. O. Schär	}	SWITZERLAND.
E. Angst.....		
Prof. Edgar Milhaud		FRANCE.
G. J. Mailath.....		HUNGARY.
Quirin Kokrda		AUSTRIA.
Dr. V. Totomianz		RUSSIA.
Dr. E. Posthuma		HOLLAND.

The Congress Committee

President :

G. J. D. C. GOEDHART.

Vice-Presidents :

A. WHITEHEAD. E. POISSON.

Members :

ALBIN JOHANSSON. Dr. A. SUTER.
H. KAUFMANN.

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		

Congress Reception Committee.

President :

CARL BACKMAN (President, Kooperativa Förbundet).

Representing the International Co-operative Alliance :

HENRY J. MAY (General Secretary).

Representing Kooperativa Förbundet :

ANDERS OERNE	}	Central Committee of the I.C.A.
ALBIN JOHANSSON		

F. G. ALMSKOG.

CARL FEGLER.

A. E. ANDERSSON.

WITALIS JOHANSSON.

LEWIN ANDERSSON.

G. H. VON KOCK.

O. A. NYKVIST.

ALFR. KÅBERG.

EMIL OLSSON.

A. C. LINDBLAD.

SIGFRID PALM.

VIKTOR LINDGREN.

OSKAR ROSANDER.

CARL PETANDER.

NILS ANDERSSON.

AXEL SVENSSON.

D. G. LAGERGREN.

A. V. SÖDERBOM.

CARL BÄCKMARK.

NILS WILLNER.

Secretary :

GUST. E. ANDERSSON.

STANDING ORDERS

GOVERNING THE

Procedure of the Congress during its Sittings.

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

2. 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.

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

4. Motions submitted under Article 24 can only be moved by delegates having a vote. They must, on the request of the President, be supported by at least 25 delegates who will signify their approval either by holding up their voting cards or by attaching their signatures to the text of the motion. No motion can be discussed or put to the vote until it has been seconded.

5. 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.

6. No delegate will be permitted to speak more than once on the same proposition, except the readers of papers, who shall have 15 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.

7. Whenever an amendment is proposed to any motion no other amendment shall be taken into consideration until the first is decided.

8. 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 by the meeting the proposer of the closure shall have no further right of debate on that question.

9. 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.

10. 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.

11. 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."

12. Such number of tellers as may be required shall be nominated by the President and appointed by the Congress at its first sitting.

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

14. Personal explanations are only admissible at the end of a debate, or, if motions are submitted, after the voting has taken place.

Twelfth International Co-operative Congress.

STOCKHOLM, AUGUST, 1927.

LIST OF REPRESENTATIVES AND DELEGATES PRESENT AT THE CONGRESS.

Guests of Honour :

His Excellency Eliel Löfgren	Minister of Foreign Affairs, Sweden.
Secretary Hugo Heyman	Sweden.
Mr. E. Brundrett	Ministry of Labour, Great Britain.
Mr. Molyeyre	Ministry of Labour, France.
Dr. J. Helo	Minister of Social Affairs, Finland.
Mr. Fuldmaegtig H. de Jonquière ...	Ministry of Interior, Denmark.
Mr. Henri Pullerits	Ministry of Labour and Social Welfare, Estonia.
Mr. Andr. Juell	Ministry of Social Affairs, Norway.
Mr. F. T. B. Friis	League of Nations (Secretariat).
Mr. Albert Thomas	International Labour Office.
Sir George Paish.....	International Committee for the Pro- motion of Universal Free Trade.

Committee of Honour :

Edouard Anseele	Belgium.
Dr. V. Totomainz	Russia.
E. Angst }	Switzerland.
Dr. O. Schär }	

Central Committee :

Armenia	Kursell, N.
Austria	Freundlich, Mrs. Emmy Renner, Dr. Karl
Azerbaidjan	Faradje-Zadey, A.
Belgium.....	Serwy, Victor
Czecho-Slovakia	Lustig, E. Fiser, V. Dietsl, A.

CENTRAL COMMITTEE—*continued.*

Denmark	Brøberg, L. Nielsen, Anders
Finland	Raittinen, P.
France	Gide, Prof. C. Cleuet, A. J. Thomas, A. Poisson, E.
Georgia	Toroshelidze, M. G.
Germany	Kaufmann, H. Lorenz, H. Kasch, A. Berger, E. Everling, H.
Great Britain	Allen, Sir T. W. Jones, A. H. Whitehead, A. Rae, W. R. Gregory, W. Stewart, R. Worley, J. J.
Holland	Horst, M. Van der
Hungary	Balogh, E. de
Latvia	Silins, V.
Lithuania	Salcius, P.
Norway	Juell, A.
Poland	Rapacki, M.
Roumania	Cercel, C.
Russia	Liubimoff, I. E. Kissin, A. A. Shvetzov, A.
Spain	Roig, J. V.
Sweden	Oerne, Anders Johansson, A.
Switzerland	Jaeggi, B. Suter, Dr. A.
Ukraine	Blacher, G. M. Goettler, A. E. Guenkin, A. B. Odintzoff, A.
U.S.A.	Warbasse, Dr. J. P.

H. J. MAY, General Secretary.

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

ARMENIA.

Eriyan.—L'Union des Sociétés Coopératives de l'Arménie "Aycoop" Kursell, N.

AUSTRIA.

Vienna.—Verband österreichischer Konsumvereine Dittelbach, E.
 Freundlich, Mrs. E.
 Glauschnigg, A.
 Hesky, F.
 Kubm, F.
 Loria, G.
 Menzel, J.
 Offenboeck, —
 Pohl, A.
 Renner, Dr. K.
 Schmidt, W.
 Vukovich, A.

AZERBAIDJAN.

Baku.—Union of Co-operative Societies of Azerbaidjan "Azerittifak" Faradje-Zadey, A.
 Vezeeroff, S.

BELGIUM.

Brussels.—Office Coopératif Belge Anseele, E.
 Chèvremont, J.
 Degeyndt, F.
 Gaspard, —.
 Heggen van der.
 Lemaire, J.
 Logen, F.
 Octors, A.
 Papart, J.
 Serwy, V.

BULGARIA.

Sofia.—Centrale Coopérative "Napred" Ganeff, C.
Sofia.—Société Coopérative d'Assurance et d'Épargne des Fonctionnaires Bulgares Ganeff, C.
Sofia.—Union des Banques Populaires Ganeff, C.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

CZECHO-SLOVAKIA.

Prague.—Ustredni svaz ceskoslovenskych druzstev

Bacs, J.
 Beran, K.
 Dostál, J.
 Fiser, V.
 Havrenek, —.
 Jiráček, A.
 Kaniniska, Mrs. B.
 Kasák, F.
 Komeda, K.
 Konkál, J.
 Lukes, J.
 Lustig, E.
 Marík, J.
 Moravec, J.
 Nádvořník, R.
 Necásková, Mrs. M.
 Pobřísl, J.
 Vaníček, J.
 Vobecká, Mrs. M.
 Vodenka, E.
 Zmrhal, A.

Prague.—Verband deutscher Wirtschaftsgenossenschaften.....

Chobot, E.
 Dietl, A.
 Fischer, R.
 Görtler, O.
 Hackel, W.
 Knobloch, F.
 Köhler, J.
 Kreisky, R.
 Krenz, —.
 Lorenz, W.
 Marks, J.
 Pankrac, K.
 Riedel, Mrs. E.
 Sikora, A.

DENMARK.

Aarhus.—De Samvirkende danske Andelsselskaber

Arnfred, J. Th.
 Broberg, L.
 Drejer, A. A.
 Fabricius, L.
 Godsk, L. A.
 Jensen, J.
 Nielsen, A.
 Nielsen, N. K.
 Petersen, Chr.

Copenhagen.—Det Kooperative Faellesforbund
 Danmark.....

Dalgaard, F.
 Walther, V.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

ESTONIA.

Tallinn.—Eesti Tarvitajateühisuste Keskühisus ... Nibtig, J.
Paabo, R.

FINLAND.

Helsingfors.—Kulutusosuuskuntien Keskusliitto Anra, J.
Ervasti, E.
Karhi, O.
Keto, J. W.
Palmen, J.
Raittinen, P.
Siltanen, K.
Toivonen, O.

Helsingfors.—Osuustukkukauppa R. L. Anttila, J.
Lehtovaara V.
Pesonen, A.
Rintala, J. A.
Rintala, T.
Salmio, T.
Selin, K.
Vierimaa, A.
Wuolijoki, W.

Helsingfors.—Yleinen Osuuskauppojen Liitto Gebhard, Mrs. H.
Himberg, K.
Hirsjärvi, V.
Liina, E.
Peltola, K.
Röman, K. J.
Ryynänen, J. G.
Sorvalahti, K.
Stavenhagen, E.

Helsingfors.—“ Pellervo-Seura ” Liakka, N.
Rahola, I.

Helsingfors.—Vakuutusosakeyhtiö “ Kansa ” Raittinen, P.

FRANCE.

Paris.—Fédération Nationale des Coopératives de
Consommation Berland, L.
Bricout, —
Brot, M.
Camin, M.
Catel, —
Cleuet, A. J.
Colombain, M.
Couvrecelle, —
Cozette, E.
David, —
Fauconnet, A.
Fauquet, Dr. G.
Gide, Prof. C.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

Paris. —Fédération Nationale des Coopératives de Consommation— <i>continued</i>	Guillevic, M. A. Lévy, G. Lévy, Mrs. G. Poisson, E. Prache, G. Riehl, C. Royet, l'Abbé Thiriet, P. Thomas, A. Vinsous, —.
Fédération Nationale de la Mutualité et de la Coopération Agricoles.	Camin, M. Poisson, E.

GEORGIA.

Tiflis. —Union Coopérative Centrale de la Répub- lique géorgienne "Tsekavshiri"	Torochehidzé, M. G. Tsagareli, L. I. Kaxabadzé, K.
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GERMANY.

Hamburg. —Zentralverband deutscher Konsum- vereine	Adam, H. Aurich, O. Bauer, H. Bästlein, H. Berger, E. Bertholdt, P. Borgner, O. Buchholz, E. Degenkolb, H. Diel, J. Drescher, K. Enters, E. Everling, H. Feuerstein, F. Fischer, W. Frenzel, P. Geffarth, W. Gnest, W. Gruschke, O. Hammerbacher, A. Hendrich, E. Henze, — Hercksen, — Hildbrandt, H. Hoffmann, P. Hoffmann, B. Huber, M. Hübner, E. Hübner, G. John, H. Jungbaus, P. Kaldauke, E. Kasch, A. Kaufmann, H.
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DELEGATES OF CONSTITUENT MEMBERS—*continued.*

Hamburg—Zentralverband deutscher Konsumvereine—<i>continued</i>	Klepzig, V.
	Klotzsche, E.
	Kölb, W.
	Kömpf, K.
	König, B.
	Krings, E.
	Krüger, P.
	Launer, C.
	Lesche, F.
	Liebmann, V.
	Lippmann, M.
	Lehne, G.
	Lodahl, Mrs. G.
	Lorenz, H.
	Lüdenmann, O.
	Lüx, G.
	Marburger, E.
	Markus, E.
	Mausser, A.
	Michaelis, K.
	Mikowsky, G.
	Mirus, A. G.
	Momborg, W.
	Möller, C.
	Müller, P.
	Müller, J.
	Nuewöbner, F.
	Nolte, E.
	Oswald, O.
	Pfabl, G.
	Pichler, M.
	Reinhold, M.
	Rex, E.
	Rommel, F.
	Röder, K.
	Schils, J.
	Schievink, H.
	Schmidt, H.
	Schmittinger, W.
	Schmitt, W.
	Schreiber, R.
	Schweikert, R.
	Schwedt, H.
	Schuboth, K.
	Schulte, R.
	Schütt, G.
	Scarakowsky, H.
	Siteinhilber, G.
	Tbiele, A.
	Trautwein, J.
	Walter, A.
	Warncke, —
	Westermann, L.
	Wilhelm, A.
	Vieth, F.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

GREAT BRITAIN.

ENGLAND.

Ashford	Hall, Mrs. F.
Barnsley British	Dewsbury, C. W.
Bath and Twerton	Allen, Sir T. W.
Beswick	Jones, A. H.
Bingley	Butler, T.
Birkenhead	Pickup, A.
Birmingham Printers	Dewsbury, Mrs. M. B.
Bolton—Great and Little	Wood, C. E.
Bradford, City of	Morton, F.
Bridgwater	Trippier, Mrs.
Brightside and Garbrook	Priestley, Mrs. B. A.
Burslem and District	Hayward, F.
Bury District	Blair, W. R.
Chatham and District	Allen, Lady
Chipping Norton	Price, Miss M.
Colne and District	Dewhurst, W.
Crewe	McAnulty, E.
Croydon—South Suburban	Nealon, Mrs. C.
Darlington	Lorraine, W. G.
Denton and Haughton	Mar-den, J.
Droylsden	Pogson, D.
Eccles	Wallwork, A.
Falsworth	Shiple, W. H.
Fleetwood	Tomlinson, C. F.
Gateshead	Haslam, J.
Horbury	Bagnall, Mrs. E. H.
Jarrow and Hebburn	Campbell, Mrs. M.
Leeds	Butler, Mrs. M.
Leicester	Goude, J. H.
Leicester—Co-operative Productive Federation ...	Worley, J. J.
Letchworth and Hitchin	Watson, L. J. F.
Lincoln	Daniels, Mrs. H.
Liverpool	Robinson, W. R.
London	Brown, Mrs. M.
London—Women's Co-operative Guild	Campbell, Mrs. H. P.
	Barton, Mrs. E.
	Webster, Mrs.
Long Eaton	Hayward, Mrs. F.
Luton	Emerton, C. S.
Manchester—Co-operative Union	Way, T.
	Mann, A.
Manchester—Co-operative Wholesale Society	Sutton, J. W.
	Ramsay, G. A.
Manchester—National Co-operative Publishing ...	Brownbill, G.
Manchester and Salford	Goodwin, T.
Nelson	Gregory, W.
Oldham	Lancaster, R. F.
Prestwich	Hall, Prof. F.
Rochdale Equitable Pioneers	Enfield, Miss A. H.
Sheffield and Eccleshall	Tryner, Mrs. A.
Stockport	Whitehead, A.
Watford	Layton, Mrs. E.
Wellingborough	Rowbotham, R.
Willington	Rae, W. R.

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

Woolwich—Royal Arsenal	Real, Mrs. E.
Worksop	Grinling, C. H.
	Stubbs, Mrs. E.

SCOTLAND.

Glasgow—Scottish Co-operative Wholesale	Malcolm, P.
	Stewart, R.
Glasgow—St. George	Callen, Miss K.
Glasgow—United Co-operative Baking	Buchanan, A.
	Stewart, J.
Kilmarnock	Clark, A.
Lennoxtown ..	Finagan, J. A.
Wishaw	Downie, J.

IRELAND.

Belfast	McConbrey, Mrs. M. T.
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HOLLAND.

The Hague.—Centrale Bond van Nederlandsche Verbruikscöoperaties	Boer, K. de Dykstra, W. Groeneveldt, A. C. Horst, Mrs. van der Monnikendam, C. Sluis, R. van. Sluis-Voster, Mrs. W. van Warmolts-Veldkamp, Mrs. J. W.
Rotterdam.—Coöperatieve Groothandelsvereniging "De Handelskamer"	Mirrer, G. A. J. Warmolts, J.

HUNGARY.

Budapest.—"Hangya" Genossenschafts-Zentrale des Bundes der ungarischen landwirte	Balogh, E. de Balogh, Mrs. E. de
Budapest.—"Altalanos" Fogyasztási Szövetkezet.	Kondor, B. Peidl, J.
Budapest.—Zentrale der ungarländischen Ge- nossenschaften	Kondor, B. Peidl, J.
Budapest.—Grosseinkaufs—und Verwertungs— Aktiengesellschaft	Kondor, B. Peidl, J.
Budapest.—"Diligentia" Sparcassen Actien- gesellschaft	Kondor, B. Peidl, J.

JAPAN.

Tokyo.—Sangiokumiai Chinokai, Central Union of Co-operative Societies of Japan	Hasumi, Y.
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DELEGATES OF CONSTITUENT MEMBERS—*continued.*

LATVIA.

Riga. —Centrala Savieniba "Konsums"	Sieceniek, A. Sieceniek, P. Silin, W.
Riga. —Latvijas Tautas Banka.....	Aizsilnieks, A. Lapins, P.

LITHUANIA.

Kaunas. —Lietuvos Koperacijos Bendroviu Sajunga	Salcius, P.
--	-------------

NORWAY.

Oslo. —Norges Kooperative Landsforening	Arnesen, R. Axelsen, J. Heide, H. Juell, A. Løse, S. Thon, K.
--	--

POLAND.

Warsaw. —Zwiazek Spoldzielni Spozycow.....	Dabrowski, F. Rapacki, M.
Lemberg. —Revisionsverband Ukrainischer Genossenschaften in Lwow	Pelenskyj, Z. Pawlykowskyj, J.
Lemberg. —Landesverband der Ukrainischen Konsum genossenschaften "Narodna Torhowla" .	Pawlykowskyj, J.

ROUMANIA.

Bucharest. —Centrala Cooperativelor de Productie si Consum.....	Cercel, C.
Bucharest. —Centrala Bancilor Populare	Axentie, T.

RUSSIA.

Moscow. —All-Russian Central Union of Consumers' Societies "Centrosoyns"	Abrakhina, Mrs. W. Aleshin, — Arazoff, — Barmin, — Baryshnik, G. M. Bulutcheff, G. M. Butuzova, Mrs. E. V. Elizaroff, — Figatner, — Fischhaendler, A. M. Ginsburg, — Guliaeff, —
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DELEGATES OF CONSTITUENT MEMBERS—*continued.*

Moscow—All-Russian Central Union of Consumers' Societies "Centrosoyus"—<i>continued.</i>	Gurevitch, A. Irismetoff, — Ismaeff, Mrs. Ivanenko, Mrs. L. Kirievsky, — Kissin, A. A. Klempner, — Kravchenko, — Lasbkin, — Liubimoff, I. E. Loginoff, — Machlin, B. Mestcheriakoff, N. L. Pakhomoff, — Petunin, — Pitersky, — Popoff, N. I. Pozduysheff, A. N. Rabinovitch, — Resbetkoff, — Rizich, Mrs. — Schein, I. I. Strikovskiy, — Tikhomirova, Mrs. Variasch, E. I. Verbitzky, — Weinberg, — Zaitzeff, — Zimin, —
Moscow.—All-Russian Co-operative Bank "Vsekobank"	Daschkevitch, P. Shvetzoff, A. Zembluchter, M.
Moscow.—All-Russian Union of Agricultural Co-operation "Selskosoyus".....	Gall, — Kaminsky, G. N. Karatkin, A. A. Kopejkin, M. J. Kramaroff, G. Krasnoff, — Kravchenko, Mrs. E. K. Poliakoff, — Ratner, G. M. Vorobyeff, N. D.

SPAIN.

Barcelona.—Federación Regional de Cooperativas de Catalna y Baleares	Roig, J. Ventosa
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SWEDEN.

Stockholm.—Kooperativa Förbundet.....	Cederlund, C. F. Dahlberg, P. A. Erikson, K. Gjöres, A. Hedberg, A. Johansson, E. Karlsson, G.
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DELEGATES OF CONSTITUENT MEMBERS—*continued.*SWEDEN—*continued.*

Lindkvist, H.
Nilsson, J. W.
Olsson, F.
Persson, E.
Pettersson, T.
Sundell, E.

SWITZERLAND.

Basle.—Verband schweiz. Konsumvereine (VSK.) Angst, E.
Cadotsch, Prof. J. B.
Flach, J.
Jaeggi, B.
Jaeggi-Büttiker, Mrs. P.
Privat, Dr. E.
Rusca, F.
Schär, Dr. O.
Schneeberger, E.
Suter, Dr. A.
Thomet, F.
Weckerle, Dr. F.
Zahnd, A.

UKRAINE.

Kharkoff.—Allukrainischer Genossenschaftsverband "Wukospilka" Dmitryeff, D.
Guenkin, A.
Issaef, J. G.
Makarewitsch, O.
Meerovitch, M. I.
Narijny, A.
Pilatzkaia, Mrs. O.
Yakubenko, I.
Rijich, W.

Kharkoff.—Allukrainische Genossenschaftsbank "Ukrainbank" Blacher, G. M.

Kharkoff.—Allukrainischer Verband der landwirtschaftlichen Genossenschaften "Silsky Gospodar" Lewitzky, N.
Odintzoff, A.
Zellarius, W.

Kharkoff.—Allukrainischer Versicherungsverband "Koopstrach." Losowoy, A.

Kharkoff.—Allukrainische genossenschaftliche Bücherhandels- und. Bucherverlagsgesellschaft "Knyhospilka" Aguff, M. A.
Goettler, A. E.

UNITED STATES OF AMERICA.

New York.—The Co-operative League Long, C.
Ronn, E.
Tenhunen, M.
Warbasse, Dr. J. P.

WHITE RUSSIA.

Minsk.—The White-Russia Central Union of Consumers' Societies "Belcoopsoyus" Kremer, Mrs. S.
Novliansky, M.

PROCEEDINGS

OF THE

TWELFTH CONGRESS

OF THE

INTERNATIONAL

CO-OPERATIVE ALLIANCE

THE TWELFTH CONGRESS
of the
International Co-operative Alliance
in the
Konserthus, Stockholm.

FIRST SESSION.

Monday, 15th August.

MR. E. POISSON PRESIDING.

The beautiful city of Stockholm, with its abundant lakes and waterways, inland and to the sea, provided a very fine setting for the activities of the Twelfth Congress of the International Co-operative Alliance. The magnificent Konserthus, constructed throughout of Swedish granite and marble—a beautiful study in grey—formed an ideal meeting place. Its artistic decoration, luxurious seating, soft lighting, and excellent acoustics, its abundant rooms and halls for all the purposes of the Congress, combined to make it an unsurpassed rendezvous for the 424 delegates who assembled from 28 countries, together with 14 representatives of European Governments and certain International Organisations.

The spacious entrance hall, extensive corridors, and reception rooms were consecrated to the display of the 20 National Exhibits of Co-operative Press and Propaganda material, forming the finest artistic display, and the assembling of probably the largest number of clever devices for spreading the co-operative light that the Movement has ever seen.

The various Auxiliary Meetings, of which the Special Propaganda Conference, the Conferences on International Co-operative Trading, Banking and Assurance were the chief, found ample and satisfactory accommodation at Stockholm.

Warm tribute must be paid deservedly to the skill, untiring industry, and generosity of Kooperativa Förbundet which from the beginning laid itself out to make Stockholm memorable on this occasion—a task in which it abundantly succeeded.

Into the beautiful colour scheme provided by the construction, material, and decoration of the Konserthüs itself, the Swedish hosts of the Congress successfully blended the colours of the I.C.A. in bold masses and wave lengths of soft material, which gave added warmth to the surroundings. The seven colours of the spectrum were also carried in the same artistically daring manner on to the exterior of the lofty Congress Hall, into and around the wide market place before its doors. International Co-operation has rarely, if ever, had a bolder advertisement that it received in connection with its Twelfth Congress.

The Presidency of the Alliance being vacant owing to the resignation of Mr. G. J. D. C. Goedhart, the duty of presiding over the Congress devolved upon the Vice-Presidents, Mr. A. Whitehead (Great Britain) and Mr. E. Poisson (France), who had arranged to share the honours and the responsibility.

The Congress Bureau comprised the two Vice-Presidents, Mr. H. Kaufmann (Germany), Dr. A. Suter (Switzerland), Mr. A. Johansson (Sweden), and the General Secretary of the Alliance, Mr. H. J. May.

The President was also supported on the platform by the following representatives of Governments and International Associations :— His Excellency Eliel Löfgren, Minister of Foreign Affairs, Sweden ; Secretary Hugo Heyman, Sweden ; Mr. E. Brundrett, Ministry of Labour, Great Britain ; Mr. Molyèyre, Ministry of Labour, France ; Dr. J. Helo, Minister of Social Affairs, Finland ; Mr. Fuldmaegtig H. de Jonquière, Ministry of Interior, Denmark ; Mr. Henri Pullerits, Ministry of Labour and Social Welfare, Estonia ; Mr. Andr. Juell, Ministry of Social Affairs, Norway ; Mr. F. T. B. Friis, League of Nations (Secretariat) ; Mr. Albert Thomas, International Labour Office ; Sir George Paish, International Committee for the Promotion of Universal Free Trade.

THE OPENING PROCEEDINGS.

The President, having declared the Twelfth Congress of the I.C.A. duly constituted and the proceedings opened, immediately called upon Mr. Albin Johansson, Director of Kooperativa Förbundet, to address the delegates on behalf of the Swedish Co-operative Movement.

Mr. JOHANSSON said : On behalf of Swedish Co-operation I have the honour to wish you all welcome to our country. I beg to thank you for your kindness in deciding to hold the Twelfth Congress of the International Co-operative Alliance in our Capital, and take this opportunity to give you a few particulars regarding the Co-operative Movement in Sweden.

The Swedish Co-operative Union and Wholesale Society (Kooperativa förbundet) was founded in the year 1899, but did not

begin its business activities until 1904. Ever since the Kooperativa förbundet started, however, Swedish Co-operation has made uninterrupted progress. True, in the beginning its advance was slow, but especially since the end of the Great War we in this country have been able to speak of a truly rapid success in the Co-operative Movement. Thus, since 1918 the turnover has more than doubled. The capital now amounts to 73,000,000 Kronor, being more than five times as much as it was at the end of the war. Besides the industries in the baking and pork-butcher's branches, which the local societies have started on a large scale, there has come into being since then an organisation for centralised production in the Kooperativa förbundet, with a manufacturing value in 1926 of no less than 44,000,000 Kronor, or about 40 per cent. of the total sales of the Kooperativa förbundet. In judging these figures it should be remembered that a considerable change has taken place in monetary values, as is reflected in the cost of victuals, which in 1918 was 160 per cent. higher than in 1914, and in 1926 was 47 per cent. higher than the prices of commodities before the war. I beg also to remind you that these figures showing the extent of the Co-operative activities are those of a country with a population of only 6,000,000.

Having now had the pleasure of mentioning our successes, it is perhaps a suitable point at which to state what are the factors that we consider have brought about this rapid development.

First and foremost, then, I would mention the **unanimity** which is such a marked feature of Swedish co-operation. In this country the consumers have organised themselves into **one single** central organisation, namely, the Kooperativa förbundet. According to its constitution, only **one** society in each locality can be affiliated to the Kooperativa förbundet. In order to enable the organisation of all consumers in one locality into one society, the rules prescribe as conditions for membership in the Kooperativa förbundet that the societies shall be neutral both in politics and religion. This implies that the position of the members of the local societies in regard to politics and religion coincides with the locality in which the Society operates. Thus, the industrial workers are in the majority in the industrial districts, and the farmers, who as a rule belong to a different political party, are in the majority in the country districts. Economic understanding has in general penetrated so deeply into the minds of the co-operative rank and file that the majority, whether it consists of industrial people or farmers, is fully aware that it has no right to take advantage of its numerical superiority to pass resolutions that have no direct connection with co-operative activities.

The societies are associated within the Kooperativa förbundet only for the purpose of solving co-operative problems ; it is just this principle of gathering around the co-operative questions that binds

the members together in Swedish Co-operation, irrespective of their views on other questions. Any deviation from this rule would mean a setback for Swedish Co-operation, while a strict adherence to it implies continued success.

Kooperativa förbundet's constitution prescribes, inter alia, that in order to become affiliated to it, the local societies shall fund at least 15 per cent. of the yearly surplus. Moreover, the societies must arrange to give their dividend in such a way that the individual members do not receive the entire amount of their dividend in cash until they possess shares to a value of at least 100 kronor. It is these conditions that have produced what must be considered, in proportion to the extent of the movement, to be a substantial accumulation of capital in the Swedish co-operative organisation.

In enumerating here some of the causes that have led to the success of Swedish Co-operation, especially during the last few years, I should also mention the warning given by the Congress of 1920 to the societies that they should not expand more rapidly than their own capital permits. The result of this warning has been that it is mainly the movement's own funds that have been utilised for expanding not only the distributive organisation of co-operation, but also its productive organisation. This is further demonstrated by the fact that we are aiming at specialisation, and are seeking to concentrate all the available forces upon establishing one line of goods or one branch of industry at a time.

I have now described what I believe to be the decisive factors in the success of co-operation in this country. It is, however, not we Swedes who have drawn up these rules; we are merely applying the same principles that were laid down by those simple weavers at Rochdale—we have learnt from them—and have endeavoured to follow the good example that has been left us by the countries which have been the pioneers of co-operation. I seize this opportunity, therefore, to offer sincere thanks to all the representatives of those countries whence we Swedes have had the privilege of learning these valuable lessons.

The experiences gained in those countries have also been imparted to all organised consumers in Sweden through the informative organs which are at the disposal of Swedish co-operation. A democratic, economic movement such as co-operation must build upon **economically informed** members—the material development must be preceded by a steadily increasing economic insight in its members. In order that this may be possible we have not only established our co-operative schools, brought out our publications and organised our propaganda. The local society meetings and the national congresses also play an important part in furthering this object. This great international congress is likewise a link in the chain of co-operative education; we have here ample opportunities for an exchange of ideas in regard to problems which interest us all.

Here too we have the chance—and this is not the least important factor—of making new acquaintances and of cementing still more firmly those personal bonds of friendship which already unite so many of us.

I beg once more to express my hearty thanks to you all who have been good enough to attend this Congress, and also the hope that the Twelfth Congress of the International Co-operative Alliance may be of benefit to the organised consumers, and that the Congress may remain a common, pleasant memory to you all when you return from Stockholm to your homes in the different countries and continents of the world.

In the unavoidable absence, through illness, of His Excellency C. G. Ekman, Prime Minister of Sweden, His Excellency Elief Löfgren, Minister of Foreign Affairs, was present to greet the delegates in the name of the Swedish Government.

Mr. LÖFGREN, addressing the Congress in excellent English, said: I feel it is a great honour to Sweden to receive the delegates to the International Co-operative Alliance Congress as the guests of Sweden, and on behalf of the Swedish Government I take the greatest pleasure in wishing you a successful Congress, and in bidding the delegates, and the representatives of foreign governments, welcome to Sweden. The development of economic collaboration by the work of the Co-operative Organisations has, more than most factors in the history of mankind, confirmed the old sentence that "To unite forces is to multiply them." I also think that the Co-operative Movement has shown that social and economic strength and influence depend upon personal initiative, personal freedom, and freedom for individuals to unite their personal activities. We have recently had the honour to receive in Sweden another International Congress—the Congress of the International Chamber of Commerce—which drew up certain lines for co-operation, both industrial, and commercial, between the different countries. The principles laid down by these experts were not in conflict with the findings arrived at by the World's Economic Conference at Geneva, which was of a semi-official character, earlier in the year. My belief is that the principles laid down by these two great conferences are also in accord with the principles upon which Swedish economic policy has been based for a long time. These are the same principles by which you have been working, and I am certain that your success is chiefly explained by your wisdom in uniting those two forces—Freedom and Co-operation. I hope that, for the good of us all, your example may be followed by statesmen and States. I hope—I might almost express it as a certainty—that you will still in the future, as up to now, continue to work on the line of Freedom and Co-operation, which has been found to be the salvation of the world in international and social affairs. In connection with this hope I also entertain another, namely, that the freedom for individuals to unite their work will

grow steadily stronger. With this hope I complete my welcome. I am sure that you will have the opportunity of seeing our Swedish capital, that you will enjoy your visit, and that you will have happy memories of it in the future.

The words of His Excellency were warmly applauded.

INAUGURAL ADDRESSES.

Mr. E. POISSON, as Vice-President of the Alliance, and President of the Opening Session, then proceeded to deliver his Inaugural Address :—

On the occasion of the opening of the Twelfth Congress of the International Co-operative Alliance, permit me to greet the delegates of the Co-operative Institutions, of all kinds and of all nations, who have come to take part in this Congress with a firm desire to serve the great economic, moral, and social ideal which Co-operation represents.

May I welcome our guests, the fraternal delegates of organisations which pursue the same aims as ourselves, or which see in the Co-operative Movement institutions which are striving for the same objects which they have set before themselves.

May I welcome the representatives of those Governments who know that Co-operation serves the interests of their people, and who recognise in it one of the most conclusive social experiments of modern times.

May I welcome, particularly, the representatives of the League of Nations, of its Economic Committee, of the International Labour Office, that League of Nations which, at its recent Economic Conference, officially recognised the existence of the International Co-operative Alliance, and of the Co-operative Movement, and which henceforth knows that in Co-operation is found one of the strongest and most disinterested means of promoting peace which exists to-day.

But I should like to offer a special greeting to the country whose hospitality we are enjoying to-day.

Three years ago we left Ghent enchanted with the magnificent reception accorded us by our Belgian fellow-co-operators. We have kept an unfadeable memory of our friends of Ghent, and of their flourishing organisations impregnated with the purest idealism. We carried away with us the encouraging picture of an Exhibition which was a marvellous demonstration of the actual and increasing strength of International Co-operation.

Now we have come to the countries of the North, to the Scandinavian people, to Sweden. We were charmed beforehand by the enchantment of a visit to Stockholm, the Venice of the North, the town of many islands, of perpetual summer evenings and wonderful historic buildings, and although we have only just arrived, we find that its reputation was even less than the reality.

We are delighted to be amongst the Swedish people whose heroic history is known to all, and whose sterling qualities are known throughout the world. Everyone knows that the Swedish people are, par excellence, a modern people; everyone knows their industrious character, their sociability, their high culture, their almost mystical faith in the future of humanity. These Swedish people, one of whose descendants symbolised the courage of the whole human race, by bringing nearer together, by a daring voyage, like a messenger of peace, the people of the old and new continents separated by the vast ocean.

Then, as Co-operators, another strong reason led us to you, and especially to Co-operative Sweden.

It is undeniable that, amongst all the countries of the world, and above all, of Europe, Scandinavia is one of those in which Co-operation has developed the most, where it satisfies the aspirations of the soul of the people, where it has grown the most quickly, and where it has truly become an essential social force, animated by the purest moral ideals. Co-operation is everywhere powerful and prosperous, whether in the humidity of Finland, in Norway, in the isles of Denmark, or on the Baltic coast. One may say that the future lies at its feet, and there seems nothing able to hinder its progress.

Sweden lies at the heart of this Scandinavian Co-operation, and is a symbol of all its characteristics, and all its virtues.

Every kind of Co-operation is found there, but it is undoubtedly Consumers' Co-operation which holds the chief place. Swedish Co-operation is both urban and rural; its institutions are spread over all the large industrial cities, and also extend to the humblest village home lost in your pastures in the South or amongst your white mountains in the North.

Swedish Co-operation is essentially democratic. Here, more than anywhere, has it remained faithful to the principles of the Rochdale Pioneers, and here, more than elsewhere, it adheres strictly to the fundamental rules of Co-operation. Without doubt Swedish Co-operation has been—and still is—composed of the working-class and the peasants, particularly, at the beginning, of the working classes. But Swedish Co-operation has not only freed a class, it endeavours to free all men, it appeals to all consumers and, better still, it believes that every new Society aims at an economic life, based on consumption, and its thinkers have often told us of their hopes in the future of a Co-operative Republic which will be a Republic of fellow-consumers and producers.

These greetings of welcome should not have been uttered by myself and on behalf of my friend, Whitehead, as Vice-Presidents of the Alliance. That honour belonged to our revered President Goedhart.

We wish that he was with us to-day in the position which he filled with so much dignity at Basle and at Ghent. Up to the last few months we have continued to hope for this, and several times we have opposed his wish to retire. But we have been obliged to give way for one reason—and one only—that of health.

What a sorrow and loss it is to us.

President Goedhart worthily succeeded the great Presidents who preceded him, Wolff and Maxwell, and he now joins them in a voluntary retirement. I should like us to include all three in our thoughts of homage and of gratitude, and to wish them good health and a long life.

Our friend Goedhart has presided over the Alliance for six years. He was chosen President at one of the most critical moments in the history of the Alliance. The war had only just ended; hearts and minds which had been separated by the frightful catastrophe had to be drawn nearer each other and welded together again. He acted in an absolutely fair and impartial manner, exercising a sure judgment, discarding anything which might hinder and favouring everything which might help. Everything that he did was inspired by a single thought: Co-operation and International Co-operation.

Although representing a small nation where Co-operation had not reached to large figures, Mr. Goedhart, nevertheless, knew, gently and surely, how to make his influence felt by Co-operators of all nations and of all Movements. His profession as listener to the parliamentary debates of his country for 50 years had not destroyed his belief in the working of a representative régime, it had given him, as well as a kindly scepticism concerning men, a knowledge of all the subtleties of parliamentary procedure. He brought to aid in the good working of the Alliance an experience acquired during a life-time of watching the working of a system which, in our case, he had the responsibility of setting in motion.

Under him the Alliance kept its rôle and its character. He resisted every attempt to entice it from its right path. He was a vigilant guardian of the rules, not only of their letter but of their spirit. In Co-operation he saw not only material advantages but, above all, moral and redeeming greatness. Did not his tall figure, fine face, and greyish beard recall—and will they not always recall—those figures which Dutch painters have immortalised in their pictures of public bodies? But Goedhart, modern Dutchman as he is, did not think of creating institutions for profit-making. He dreamt of, and set himself to create, a rational Society, just and free, the inspiration of which is to be found in the rationalist philosophers of the country of Spinoza.

In the absence of the President we would ask the Congress to facilitate the task of us—Vice-Presidents—who succeed to this

Chair. With the help of the Congress we will do our best to preserve the courteous and serious character of the debates in accordance with the rules, so that those decisions may be taken which the Co-operative Movement expects for its future development.

Between Ghent and Stockholm important co-operative events have taken place. These are carefully dealt with in the full and excellent report of our General Secretary, May, whose devotion is inexhaustible.

In opening this Congress, however, there are two of the events which should be emphasised.

One must fill us with sadness—the disappearance of the Italian National Co-operative League. From such a place as this we will not debase ourselves by pronouncing words of blame or of hate, but we say, in company with the whole Congress and the whole Alliance, that we have deep sympathy with the Italian Co-operators and hope, before long, to see them once more amongst us representing a free and strong Co-operative Movement, worthy of all Italian people.

The other event is of the greatest importance and constitutes a great success for our Alliance. I refer to its official recognition by the League of Nations and, above all, to the invitation extended to it to take an active part in the International Economic Conference.

Not only were two of our members appointed to the Preparatory Committee, our friends Oerne and Freundlich, whom we thank in passing for the services they have rendered to the Alliance, but, besides the "Nucleus" of Co-operative delegates from various countries, the Alliance itself was invited, was represented at the Conference itself and was recognised by the League of Nations and by the whole economic world. It was thus ranked amongst the greatest International Economic Organisations and represented as such.

Here, then, is Co-operation considered, from the point of view of the general interests of humanity, as an institution which, by the relations it has established between certain of its forms—Consumers' and Agricultural Co-operation—serves the public prosperity and the organisation of economic life. By the resolution adopted by the Conference it would appear capable of proving a remedy for the world crisis.

Further, the Conference demanded the formation of a special Co-operative Committee, in connection with the League of Nations and with the permanent economic Organisation which will be created there, composed of direct representatives of national and international organisations of the Co-operative Movement. According to the text adopted, this Committee would be authorised to follow, encourage and stimulate effort and to "draw" up programmes of study and collect documentation to use the knowledge obtained from results already acquired to bring about new results.

It is true that, to begin with, it is only a question of relations between Consumers' and Agricultural Co-operative Societies, but is not that already a considerable step in advance ?

Should the Co-operative Movement and the Alliance be content to rest on their laurels ? We think not—rather the contrary !

First of all, at this Congress at Stockholm, we should note that the International Economic Conference accepted in advance and adopted the conclusions arrived at in the report of Mr. Jaeggi on "The relations between Consumers' and Agricultural Productive Societies," which will doubtless be adopted.

Next we should take all possible steps to ensure that the decisions taken become effective, and we should ask the League of Nations for the immediate creation of the suggested Committee.

We should also ask our Alliance and our affiliated national Organisations to get into direct touch with the League of Nations, and the public with their respective Governments, in order to carry out our purpose.

But this is not all. An International Economic Organisation should be constituted. It will be if the demand of the Conference at Geneva is accepted on the same basis as the Preparatory Committee which organised that Conference.

We should insist on our representation as we have already done and try to obtain, as at the Conference, the direct representation of the Alliance. In any case we should, in agreement with those we represent, directly or indirectly, either on the economic Organisation or on a special Co-operative Committee, draw up a programme, a line of conduct, in order that the mandatories can intelligently follow the decisions of the International Co-operative Movement, give us an account of their work, and so work for the realisation of our common idea and, at the same time, share in the general prosperity and peace of the world.

During the years which separate us from the last Congress the Co-operative Movement, as well as the Alliance, can rejoice that, in spite of the world-wide economic crisis, considerable progress has been made.

Every year, by new "performances," a healthy emulation is exercised between the nations which endeavour to exceed each other in their efforts for co-operative conquests. The most expert statistician would be embarrassed to know to whom to give the palm if one takes into account either the number of members, or the turnover, or the nature of the operations, and if one wishes to compare the population or the value of the operations of private enterprises.

But it is an undeniable fact that Co-operation goes from success to success, from victory to victory, day by day, year by year.

Yesterday were there not 40,000,000 members—40,000,000 families. To-day that figure is already exceeded and the delegates at Stockholm can undertake to rapidly double it. The Alliance ought above all to be the organ of international co-operative “propulsion.”

In order to undertake this rôle it must be sure of itself and, for that reason, it is obliged to be both wise and daring, but, at the same time, prudent.

It is a heavy responsibility to maintain the indispensable unity of a Universal Movement of such importance. It is necessary that the Alliance should keep and carry with it the whole of its members. What different figures and clothing, what diverse methods of organisation and varied kinds of intellectual education are met with in the innumerable ranks of its army!

In order to make effective use of its strength the Alliance must always be true to itself. All those who believe in it should respect its neutrality and dependence with regard to religion and party politics, for this is, for the Alliance, a matter of life or death.

The greater part of its activities should be directed towards practical work. Its mission is to create, truly and materially, International Co-operation.

The International Co-operative Alliance is a delicate and valuable tool in the hands of the co-operators of the world. It should become a model to all. If we may express a wish, it is that all the activities of the Alliance, both direct and indirect, should greatly increase, for example, the International Wholesale Committee, the International Banking Committee, the International Co-operative Assurance Committee, the International Summer School, etc. So many activities call for its efforts, and should it not be the International Institute of Statistics—documentation and mutual education?

The Alliance should particularly concentrate its activity on practical questions such as its International Day, whose splendour increases every year, and in the folds of its flag of the seven colours of the rainbow is displayed the ideal which it embodies.

Let us not forget that our International Co-operative Alliance is a sacred trust. We have received it from its founders, from those who created it as well as from those who have helped to preserve and to enlarge it.

We have received this sacred trust from men, some of whom are no longer with us and some of whom are still living, men of thought and of faith who have put into it the great wish of their life and a great hope of humanity.

Above all, we have received it from thousands and thousands of human beings of all countries, colour, beliefs and social position, and especially from those immense numbers of organised men and

women who, on this earth, only experience sorrow, without the means of obtaining a state of well-being and of freedom. For all, the I.C.A. stands for Co-operation, and is a living reality. It is the sacred trust which holds the flame out of which, by means of human-will, and the triumph of Co-operation, should come the advancement of civilisation and universal peace. At each of our International Congresses we contemplate this sacred trust and endeavour to enrich it, increase its influence and assure its destiny.

At Stockholm we shall not forget this traditional task, we shall not fail in our historic duty, we shall prepare the way for future triumphs of Co-operation.

Mr. A. WHITEHEAD, as Vice-President of the Alliance, and Joint President of the Congress, delivered his Inaugural Address as follows :—

It is not often that two chairmen are needed to control one meeting, and many years have passed since this Alliance had two Presidents at its Congress.

You all know why, at this Congress, the two Vice-Presidents of the Alliance share the honour that belongs, by right, to its President, and I know all present share our deep regret that Mr. Goedhart is unable to occupy the chair to-day. To him, not the Alliance only, but the Co-operators of the whole world, are deeply indebted, and we may be sure that in spirit he is here with us to-day.

This Congress has two Presidents, a Frenchman and an Englishman. But, happily, as all present will agree, there will not be two Presidential Addresses. One is enough, and as I cannot command the eloquence of M. Poisson, I shall not attempt to address you at length.

First, let me say how proud I am to take the chair and to preside over the first International Co-operative Congress held in Scandinavia. At this moment I remember that one of our late Presidents, Sir William Maxwell, came from Great Britain, and it is with pride that I recall the fact that Edward Vansittart Neale and J. C. Gray, my two predecessors in the office which I hold as General Secretary of the British Co-operative Union, both took a leading part in establishing the Alliance, and in basing it firmly upon the principles on which International Co-operation stands to-day.

Those principles, as you know, are the old co-operative principles from which I trust the Alliance will never depart. Equality of rights, mutuality in trade, the elimination of profit in all its different forms, the open door of membership to all on equal terms. These are principles which transcend racial limits and national frontiers, and which make it possible for this Alliance to rise far above all divisions of colour, creed, and class, that still prevent men and nations from uniting in efforts to promote the common good of all mankind.

The soundness of these principles is made evident by the Report now in your hands. That Report shows how the Alliance and its work have grown the last few years. In this Congress we represent the co-operators of 36 countries, and have authority to speak for 50,000,000 co-operators. Silently, without noise or hurry, the Alliance has become one of the greatest, if not the greatest, of all international organisations founded on a national basis.

Consider, too, the crowded programs of events that are now taking place in Stockholm under the auspices of this Alliance—the Exhibition, the different conferences and meetings—and you will agree with me when I now assert that this Congress marks a great advance in International Co-operation, an advance which must inspire us to still greater efforts to spread the gospel and the practice of Co-operation throughout the whole world.

For this expansion of the work of the Alliance credit is due to its esteemed Secretary, my old friend Mr. May, whose tireless energy and unflagging zeal find congenial employment in the work of building up the great International League of Co-operators, in which the enlightened co-operator can already see the first outlines of the world-wide Co-operative Commonwealth that must one day be established.

The wonder is that the Alliance has been able, in so short a time, to accomplish so much with so little expenditure. Its income is bigger than it was a few years ago, but how small are the revenues of the Alliance in comparison with the greatness of its tasks. We have a world to educate, six continents to survey, millions to organise, and yet the total income of the Alliance is smaller, far, than the revenues of princelings who rule over petty states.

If I make no other appeal to you this morning, I appeal, as strongly as I can, to you all, without exception, to do your utmost to urge upon your fellow co-operators at home the necessity of their providing the Alliance not with what old statesmen called “the sinews of war,” but with power and machinery that will enable its leaders to sow the good seed of Peace and Co-operation throughout all the countries of the world.

I do not propose to review the activities in which the Alliance has engaged since we met last in Ghent, three years ago. I will only name a few which have special significance. First among these is Co-operators’ Day, which is now firmly established as an International Co-operative Festival, and which will, I believe, soon become one of the great annual festivals of the human race.

Next comes the International Economic Conference, held recently in Geneva, in which the Alliance was officially represented by its General Secretary, Mr. May, and upon which its proposals exerted real and abiding influence. I am not mistaken when I say that the entry of the Alliance into that Conference will yet produce consequences of great importance to all the peoples of the world. Surely

it was the presence and speech of our representatives that caused that important Conference to formulate, clearly and definitely, an economic policy and proposals in harmony with the basic principles of Co-operation.

In this Alliance we have always advocated world-wide freedom of exchange, and the abolition of all political barriers that limit trade, increase the cost of living, and provoke jealousy and rivalry among the nations. At Geneva both business men and economists agreed with us that all such barriers are evil, and although different national Governments still adhere to old systems, and maintain old barriers, we as co-operators can rejoice that our principles are at last finding general acceptance, even among those who do not yet unite with us under the rainbow flag of International Co-operation.

On one other subject, and one only, I wish to say a word. Ever since our last Congress the Alliance has endeavoured to help and encourage our comrades in Italy, whose movement has been broken by attacks which they did not provoke, and whose societies have as a consequence almost ceased to exist as an organised force. We think those attacks upon Co-operation are a sin against the people, but we do not despair of the future of Co-operation in Italy. Great principles outlive Governments, and sooner than some imagine Italian Co-operators will again be free to resume their task of uplifting and uniting the people of Italy in a nation-wide Co-operative Movement.

I promised not to make a long speech, and I will not continue longer. All that I will add, as I now conclude, is the expression of my personal hope that in this Congress all who speak and all who listen will be inspired by the true Co-operative spirit, and that even if we disagree we shall not be divided in our allegiance to the principles and the cause of International Co-operation. It is well that all opinions should be expressed, it is essential that all should have equal freedom to voice their thought, but it is vital that we should be true to ourselves, our own principles, and the cause we serve.

Let us be true to ourselves, my friends, and true to our own principles, and this Congress, which marks the completion of great tasks already tackled, will also mark the beginning of another great advance toward complete and world-wide Co-operation.

THE GUESTS OF HONOUR.

The President then proceeded to introduce to the Congress the representatives of European Governments present and whose names are recorded in the opening paragraphs of this report. The Fraternal Delegates from other International Organisations were then received and invited to address the Congress.

Mr. F. T. B. FRIS, representing the Secretariat of the League of Nations, said: On behalf of the League of Nations, I have the honour to extend hearty greetings to the members of the Congress

and to present to you the best wishes for the success of your labours. I also wish to express appreciation of the kindness shown to us in asking us to send a delegation to the meetings of the Congress. Now, with the permission of your Chairman, I will read the following communication from the Director of the Economic and Financial Section of the Secretariat of the League :—

MESSAGE FROM SIR ARTHUR SALTER.

It is with very great regret that I find it impossible to come to Stockholm in August, to attend the International Co-operative Congress, as I did in June to attend the Congress of the International Chamber of Commerce. I should have greatly appreciated the opportunity of meeting members of the International Co-operative Alliance, and of expressing my sense of the value of the collaboration between the League and the Alliance which was marked at the World Economic Conference, and will, I hope, continue. I should at the same time have wished to state what in my view is the value to the members of the Co-operative Alliance Congress, and all the great sections of the public of the world which they represent, of the recommendations of the World Economic Conference, and to suggest that they can do much to help to secure practical results.

As I am unhappily unable to be present myself, I am asking the representative of the League Secretariat, Mr. Friis, who is present in response to the invitation which you were kind enough to send, to give you this message.

Let me remind you in a few words of what the Economic Conference was and what it did.

It was convened by the League at Geneva this year, after more than a year's careful and elaborate preparation, to advise how economic policies ought to be changed in the interests of both the peace and the prosperity of the world. Its 194 members were, with the exception of 11, chosen by the Governments, not, however, as the spokesmen of official policy, but on the basis of personal qualifications. The members came from 50 countries, and they comprised every shade of responsible opinion, including industrialists, merchants, financiers, economists, public officials, agriculturalists, and the representatives of Workers' and Consumers' Organisations. Among the latter, I am glad that Mr. Anders Oerne, of Sweden, a member of your Central Committee, and Mrs. Freundlich, the President of the Women's International Co-operative Guild, were members of both the Preparatory Committee and the Conference, and that among the small number of 11 members chosen by the Council a place was reserved for Mr. May as representing the great organisation which is now meeting in Congress in Stockholm. No such authoritative body of responsible experts has ever met to discuss economic problems.

It might perhaps have been feared that a body of persons of such widely varying points of view, chosen by the Governments of 50 countries and the Council, could not possibly agree unanimously upon issues so difficult and so controversial as economic policies, or that, if they did, the resolutions would scarcely be definite and drastic. Happily any such fears were falsified. Unanimous agreement was reached and the resolutions are so bold and far-reaching that they would involve a real transformation in the economic policies of the world. What does this surprising unanimity on the part of a body of high experts, so variously qualified, mean? It means certainly that the reforms they recommend are very urgent, vital, and indisputable, a necessity in the interests of both the peace and prosperity of the world.

Well, what is it that they recommend? I cannot now give a full summary of what can be read in full in the published report which is at your disposal. I will say nothing here of what they advise as to industrial organisation, nor as to agriculture, beyond calling your attention to the great emphasis which the Conference places upon Co-operative Organisations and on direct commercial relations between Producers' and Consumers' Co-operative Associations. I have no time now except to summarise the main advice which the Conference gives as to economic policies. This, in a word, is to pursue a policy, not indeed of free trade, but of freer trade. The whole of this authoritative Conference recommends in the most insistent terms the reduction of trade barriers and in particular tariffs. In the world as a whole it found that tariffs are too high, too complicated and too frequently changed, and it recommends reduction, simplification and stability. It points out that many of the worst evils of which it complains are due to causes which have now largely disappeared, and declares categorically that "the time has come to put an end to the increase of tariffs and to move in the opposite direction." It puts all the weight of its collective authority behind the statement that "a substantial improvement in economic conditions" can, in this way, be effected. Now, when so authoritative and widely representative a body places such emphasis on a central recommendation, it simplifies immensely the task of those who wish to improve conditions. They need no longer search as to what they should work for. They can concentrate on how to work so as to secure the practical application of what those best qualified in the world have agreed is the right course.

This is a sufficient task. The road is long and difficult before we can reach the goal. All the evils the Conference desires to remove are buttressed by vested interests, many by mistaken theories, some by what is, on a short view, a real national advantage. At every vital point the decision of Governments is required—decisions to change the policies on which they have embarked. The Economic Conference, authoritative and responsible as it was, had no binding power for its resolutions. The task of persuading public opinion

and Governments remains to be accomplished. A good beginning has been made; Austria, Belgium, Germany, Czecho-Slovakia, and Holland have expressed their definite approval of the Report, other Governments are considering it sympathetically, the Council of the League has unanimously recommended it for the favourable consideration of all nations, the International Chamber of Commerce meeting here at Stockholm in June has added its enthusiastic support, the economic organisation of the League is getting on with its own special part of the task and will go as far as public opinion and the attitude of Governments allows. But much remains to be done, both now in the few weeks before the Assembly of the League meets in September, and the specialised Conference on Imports and Exports Prohibitions meets in October, and afterwards—for the task is one unceasing effort over years.

May I suggest that no sections of the public of the world are more vitally interested in the success of this great task than those which are represented by the great Co-operative Movement, and that the Organisation which you control is particularly fitted to give effective, collective, and organised support to the mobilisation of public opinion which is needed. Trade barriers, as the Chamber of Commerce has stated so clearly, not only hinder trade but in doing so depress the standard of living. And if you translate the formal words of the Economic Conference's report, "substantial improvement in economic conditions can be obtained by increased facilities," they convey a promise of comfort for millions who now live miserably, of productive work for those who now suffer the degradation of prolonged unemployment, of an increased standard of life and increased purchasing power for millions of those who are your members and your customers.

May I, in conclusion, express the sincere hope that the International Co-operative Organisation will join with other great international organisations in helping to inform and interest and secure effective influence of the great public who look to it for guidance, and so assist in a reform of economic policies which will at once increase world prosperity and strengthen the foundations of world peace.

Sir GEORGE PAISH, representing the International Committee for the Promotion of Universal Free Trade, next addressed the Congress on "The Danger of Breakdown." He said: I greatly appreciate the privilege you have granted me of addressing this great Congress, and I wish to offer to you—the members of the International Co-operative Alliance—my hearty congratulations, not only upon the wonderful success of your movement, but upon the manner in which the principles for which you stand are gaining world-wide acceptance.

Especially would I congratulate you upon the wisdom you have displayed in the matter of international trade.

From the foundation of your movement to the present day, Co-operators have consistently stood for the removal of all barriers to trade whether they be national or international. Moreover, the action of British Co-operators greatly helped to prevent for nearly three-quarters of a century the erection in Great Britain of any barriers to trade whatever.

It is, therefore, a matter of particular importance that the urgent reasons for the removal of the unprecedented obstacles to trade which have been erected since the war, both in Europe and in other parts of the world, should be placed before this Conference in order that Co-operators may do all in their power to avert the very great danger which now menaces the well-being of the peoples of all nations.

Before I endeavour to describe the danger that confronts us, I would point out that the opposition of Co-operators to trade restriction is now receiving almost universal support from public opinion, and that although the present situation is most disquieting the day does not seem to be far distant when the great barriers which now impede world progress and do so much injury will be effectually and finally thrown down, thus permitting trade to expand and bringing that increase of income to individuals, to industries and to nations essential not only to their future well-being but to their present solvency.

I would specially mention three unmistakable signs of the great change in public opinion that is taking place with regard to the barriers to trade that have been erected in recent years and that are still in process of erection. The first one comes from the business men of all countries who are members of the International Chamber of Commerce. This great organisation in Brussels in 1925 strongly condemned the tariff barriers that were in process of erection all over Europe, indeed, all over the world. And recently, in 1927, passed the following important resolution here in this very City :—

“The fourth Congress of the International Chamber of Commerce assembled at Stockholm, affirms its conviction that the restoration of world prosperity will be most effectively promoted by a progressive reduction of the barriers which are preventing the full extension of international trade.”

The second sign is the “Plea for the Removal of Restrictions upon European Trade,” signed by the greatest bankers of Europe and of America. Here is what these authorities affirm :—

“It is difficult to view without dismay the extent to which tariff barriers, special licences and prohibition since the war have been allowed to interfere with international trade and to prevent it from flowing in its natural channels. At no period in recent history has freedom from such restrictions been more

needed to enable traders to adapt themselves to new and difficult conditions. And at no period have impediments to trading been more perilously multiplied without a true appreciation of the economic consequences involved.

“There can be no recovery in Europe till politicians in all territories, old and new, realise that trade is not war, but a process of exchange, that in time of peace our neighbours are our customers, and that their prosperity is a condition of our own well-being.

“We cannot view without grave concern a policy which means the impoverishment of Europe.

“On the valuable political results which might flow from the substitution of a policy of good-will for ill-will, of co-operation for exclusiveness, we will not dwell. But we wish to place on record our conviction that the establishment of economic freedom is the best hope of restoring the commerce and the credit of the world.”

And beyond the warning of the business men and the bankers a still more authoritative pronouncement has recently been made by the World Economic Conference convened by the League of Nations at Geneva. This Conference was attended by the representatives of 50 nations and consisted of no less than 194 members attended by 157 experts, chosen with few exceptions by Governments.

The distinctive character of the Conference was that it was “responsible though not official, expert but not academic.” And this great Conference endorsed the policy advocated by the International Co-operative Alliance, by the International Chamber of Commerce, and by the Bankers of all countries in the following unmistakable terms:—

“Conclusion. In view of the fact that harmful effects upon production and trade result from the high and constantly changing tariffs which are applied in many countries:

“And since substantial improvement in the economic conditions can be obtained by increased facilities for international trade and commerce:

“And in view of the fact that tariffs, though within the Sovereign jurisdiction of the separate States, are not a matter of purely domestic interest but greatly influence the trade of the world:

“And in view of the fact that some of the causes which have resulted in the increase of tariffs and in other trade barriers since the war have largely disappeared and others are diminishing:

“The Conference declares that the time has come to put an end to the increase in tariffs and to move in the opposite direction.”

In view of these important declarations one is justified in hoping that the right action will be taken and that the present danger to world well-being will be overcome. Nevertheless, one cannot hide from oneself the undeniable fact that barriers to trade are still being erected, not lowered, and that the statesmen of all nations in their blindness are busily engaged in destroying the common well-being by ever increasing measures of protection.

To appreciate the disastrous consequences of this policy it is essential to realise that this modern world of ours has been created by the removal of the physical barriers which in former times prevented the exchange of goods and thus compelled nations and even districts to be self-contained. That prior to the construction of railways and steamboats it was impossible to transport great quantities of produce from one country to another, with the result that the great mass of the people of the world were kept in a condition of great poverty, and that the population was practically limited by the capacity of each district or each nation to produce the food, raw material and manufactured goods needed for its sustenance. But that since railways and steamboats enabled goods and people to be conveyed cheaply and expeditiously, every nation has become dependent upon every other nation not only for luxuries but for necessities. Moreover, the creation of the credit system has permitted of the payment of goods wherever produced, and their transport on credit until paid for by the consumers of whom the co-operators are a very large number. The result of the removal of the physical barriers which divided nation from nation and district from district was a six-fold expansion of world income in a single century. The world's income at the close of the Napoleonic Wars in 1816, and before the first railway was constructed, was about £4,000,000,000 sterling per annum, and in 1913-1914 prior to the World War it was in the neighbourhood of £24,000,000,000 sterling per annum. To-day hundreds of millions of people in all parts of the world are dependent for their subsistence in large measure upon foreign supplies of food, raw material and manufactured products.

The world in pre-war days was, indeed, so much a unit and every nation was performing so many useful functions for other nations that war had become a crime against humanity.

And now the Statesmen are once again endeavouring to make each nation self-contained by replacing the physical barriers, which the railways, steamboats and the credit system had destroyed, with fiscal barriers so high that they can be surmounted only with very great difficulty. At the moment the full consequence of this injurious policy has been obviated by the grant of credit on an

unprecedented scale chiefly by the United States. But the total amount of credit now created is so fabulous that any further great expansion of credit is impossible. Thus we are face to face with a situation in which the sale of products has become a matter of great difficulty, and in which the creation of fresh credit is approaching its limits—a situation which if left unrectified must in the not distant future entail an almost complete breakdown of trade and of credit. If nations cannot sell their goods and cannot buy on credit the produce they need for their sustenance, unemployment and starvation on a stupendous scale must inevitably result. The danger is not confined to nations which need to import vast quantities of foodstuffs and raw materials and to export manufactured goods in exchange, it extends to the urban populations of all countries which depend for their maintenance upon the free circulation of goods, both nationally and internationally. Moreover, a breakdown of trade involving as it does a breakdown of credit will cause immense suffering even in the farming districts where food is plentiful but cannot be sold for lack of the means of exchange.

Thus the peoples of the world are confronted with the danger of a world crisis which, if not averted, must inevitably entail great loss of life in all countries.

There was real danger of such a crisis in 1926 when the European nations were so heavily in debt, and had so much difficulty in selling enough of their goods to pay for what they needed to buy and to meet their credit obligations. The crisis was, however, temporarily averted by the British coal mining trouble, which meant that Great Britain purchased for cash large amounts of Continental coal and other products, and by further large loans from the United States. The situation is now again growing difficult, and it is of vital moment that the tariff barriers of all nations, not only of Europe, but of the United States, of Canada, of Australia, South America, South Africa, India, and Japan should be greatly reduced without delay in order that all nations may be able to sell their products freely in order to pay for what they require to buy and to meet their present pressing credit obligations.

But instead of the trade barriers being reduced they are still being raised, and nothing short of a miracle can now prevent an unprecedented breakdown both of trade and of credit. In this tragic situation I earnestly appeal of this great Congress of Co-operators, who have always stood for freedom of exchange, to leave no stone unturned to cause the nations to reverse their present suicidal policy of trade restriction and thus to preserve humanity from the grave danger to which it is now exposed.

The PRESIDENT: I believe myself to be the interpreter of the whole Congress in thanking our guests, whether fraternal delegates

or Government representatives, for their presence. We are particularly pleased to welcome a representative of the League of Nations and we are sure that he will be our interpreter to the International Economic Committee, in laying our claims before it, and in conveying our strong desire to work in collaboration with an economic organisation of the League of Nations which is calculated to serve co-operative principles. We would also ask him to express our great desire to see the prompt creation of the special Co-operative Commission, which has already been decided upon and in favour of which a resolution was adopted by the Economic Conference at Geneva. We would further like him to say how pleased we should be to be directly represented in that Economic Organisation. We thank Mr. Friis in advance for kindly undertaking to be the spokesman of the International Co-operative Alliance before the League of Nations, and the International Economic Council for having appointed him as a delegate to our Congress. We would ask Sir George Paish also to accept our sincere thanks for coming here to bring us not only the help and support of a great Free Trade Organisation, but also his personal authority and knowledge. His presence amongst us is a great compliment to the International Co-operative Movement.

With regard to the Governments, we thank their representatives for their presence and would ask them to kindly express our gratitude to their respective Governments. We must especially mention our Finnish friends. The Government delegates include Dr. J. Helo, and we must not forget that we owe the fact of his presence to the Prime Minister of Finland, who is both our comrade and a member of the Central Committee.

Finally, we heartily thank the President of the Council and the Swedish Government for their participation and for the excellent reception which they have given to our Congress.

THE RESIGNATION OF MR. GOEDHART.

The General Secretary read the following letter :—

“ Stadhoudersplein 128,

“ To The International

“ S-Gravenhage,

“ Co-operative Alliance,

“ London, S.W. 1.

“ August, 1927.

“ DEAR CO-OPERATORS,—

“ It is with the deepest regret that I have felt myself compelled to follow the advice of my physician and to resign my position as President of the International Co-operative Alliance, but advancing years and declining health are bad

companions in the Presidential chair. It, therefore, seems that my resignation is in the interests of the Alliance itself.

“ I thank you, one and all, for the great honour you conferred upon me six years ago in appointing me to the high and responsible function of your President, and for the great kindness you have shown to me throughout my tenure of that important office. If, of necessity, I now withdraw from the Alliance, I do not thereby separate myself from the Co-operative Movement, whose development I shall always follow with the keenest interest.

“ It is my profound conviction that co-operative principles will redeem the world from the evil position into which it has fallen, and that the Alliance will take more and more the place of the League of Nations. One thing is certain, the more our Movement advances the more its enemies will try to counteract and wreck it. Therefore, unity is of the highest necessity. A house that is divided against itself cannot stand.

“ May perfect unity be maintained in the International Co-operative Alliance. Then may we be sure that Co-operation in every land will flourish more and more.

“ ‘There are many ways of improving the condition of mankind, but the noblest of all is by Co-operation.’ So said the great Mitchell and we all agree with him. May then this noble precept be preached and accepted everywhere for all time. This is the high and sacred work that lays before the Alliance and its officers and adherents. I am sure that my successor will find them all around him in the fulfilment of his noble task.

“ With my heartiest wishes for the well-being and happiness of you all,

“ Believe me to remain,

“ Yours cordially,

“ (Signed) G. J. D. C. GOEDHART.”

The PRESIDENT: In the course of my address I proposed that we should wish long life and good health to our former Presidents, and, particularly, to our friend Goedhart. I now propose that a telegram should be sent to Mr. Goedhart expressing our deep and lasting gratitude and at the same time our wishes for long life and good health. Let us agree to this message by acclamation.

On being put to the vote, it was declared carried by acclamation and the General Secretary was requested to convey the message to Mr. Goedhart.

THE APPOINTMENT OF TELLERS.

The **GENERAL SECRETARY** : According to the rules of the Alliance the Congress must, at this first Session, appoint tellers to count the votes, should it be necessary to do so. I think six will be sufficient, and the names I submit for your approval are : Messrs. Maurice Camin (France), A. H. Jones (Great Britain), A. G. Mirus (Germany), M. Van der Horst (Holland), G. M. Ratner (Russia), and N. H. Cooper, the Auditor of the I.C.A. I propose that these delegates be the tellers for this Congress. I have omitted one for the balcony, and would add Mr. Axel Drejer (Denmark).

The **PRESIDENT** : Are there any objections to this list ?

No objections being offered, the President declared these delegates elected as the tellers for the Congress.

CLOSE OF THE FIRST SESSION.

SECOND SESSION.

Monday Afternoon.

MR. A. WHITEHEAD PRESIDING.

REPORT of the Central Committee on the Work of the International Co-operative Alliance, 1924-1926.

INTRODUCTION.

The International Co-operative Movement, comprised within the influence of the International Co-operative Alliance, has been in a state of transition since 1918—a transition in the first instance marked by territorial and racial changes or readjustments. At first the repartitioning of Europe brought confusion into our work, but now the new lines of demarcation are clearer and the National Organisations have in the main settled their constitutional problems in accord with the new geography. But just as these problems have subsided, or have been solved, new ones emerge, and the policy of the I.C.A. has been subjected to a critical review, with some resulting adjustments, during the past few years. The inevitable tangle of problems left by the world-war occupied too much, perhaps, of our attention, and tended to press out of sight the more vital questions of economic and social advance.

The post-war exuberance of republican and revolutionary ideas in Europe added a complicating element which has not only provoked resistance on the part of the moderate sections of our Movement, but has actually retarded the impetus which the war conditions gave to the co-operative idea.

Internationalism is making progress in the world. Every progressive thinker and leader recognises that civilisation since the war has entered upon a new phase. If self-determination has been recognised on paper in half-a-score of instances which were nebulous before the war, it is also true that the insularity of some nations has been broken down, and that few, if any, natural boundaries now divide the nations from the ravages of modern methods of making war or the unifying influence of the peace

spirit. In this newer scheme of things Co-operation has its greatest opportunity, is potentially the greatest influence for world peace, and the International Co-operative Alliance may well be the only League of Nations because it links together the "common people" of the earth in a fraternal reunion which leaves individual profit in the background. Co-operators in every country are becoming alive to the fact that they must devote themselves solidly to the pursuit of co-operative ideals if they are to keep their place in the march of events. If they are able, apart altogether from internal dissensions, to record material progress, so also are those forces of capitalist enterprise which the Co-operative Movement is organised to supplant. Co-operation has been in danger of dropping behind, partly on account of its conflicts with extremists, but it must not only maintain its place in the race for the highest economic development—it must surpass its opponents and give a definite lead.

The Ghent Congress declared a truce to the external activities of the I.C.A., and brought the Movement back to its initial tasks of documentation, statistics, and the promotion of its purely co-operative aims.

So we have settled down to our own proper tasks, and there is every prospect that the first Congress to be held in a Northern Capital will be one of the most devoted to our ideals and fruitful of practical results that have yet been held. The programme of the Congress is the most ambitious and extensive yet undertaken by the Alliance.

It is becoming a commonplace to say that the period under review has been the most active and fruitful in the history of the Alliance; nevertheless, the phase, in spite of its triteness, is true and applicable since it expresses the definite growth and progress of our Movement.

That this is so will be evident from the most cursory glance at the score of sections of this Report which follow, dealing with the main items of the activities of the Alliance since the Ghent Congress.

The constituent membership of the Alliance has shown a development which is of some importance, as will be seen from the analysis given further on. The amendments to the Rules adopted at the Basle Congress in 1921 removed the last remains of individual membership, and finally established the Alliance as an Association of Societies. The time is not far distant when it will be solely an Alliance of National Unions and Federations. That consummation is only delayed by the backwardness of some States in co-operative development, so that, as a preliminary step, the I.C.A. accepts important local Societies pending the

formation of National Federations. There is, therefore, a movement of concentration going on side by side with the extension of its membership.

The financial improvement which we are able to record is very gratifying. It must be said that the members of the I.C.A. have not only responded splendidly to the appeals for increased subscriptions, but also to those directed to the wiping out of war-time arrears. In the loyalty with which National Unions have seized the first opportunity after the stabilisation of their national currency to restore their contributions to the Alliance to the normal rate, and the willingness of many to acknowledge the financial responsibility of increased membership year by year, there is cause for satisfaction.

It has been our endeavour for some years past to economise the resources of the Alliance and to live within the income, a policy which is not always to be commended in an institution living both materially and spiritually upon voluntary association.

These economics, together with the very remarkable accretion of contributions reported elsewhere in this Report, have resulted in a substantial balance at the Bank which gives us much encouragement to proceed with the development of the work of the Alliance in those directions in which it is weakest, viz., the preparation of general statistics—consumers', wholesale, agricultural, etc.—the increase of documentation, and the extension of publications.

In expressing our appreciation of the improved position, we must hasten to add two points—first, that quite a number of Organisations have still to come into line with the financial loyalty of the majority to which we have just paid tribute; second, that the needs of the normal development of the work of the Alliance, and to make it a centre of world-wide information, rendering positive and practical services to the whole Movement, demand an income several times greater than that we have yet achieved.

The question of devising a uniform plan of international co-operative statistics which the National Organisations could be invited to adopt, and which would form the basis of International Statistical Reports of an accurate and authoritative character, has been for some time past under the consideration of the Executive. Such a plan is absolutely necessary in order to provide an intelligible picture of the whole Movement capable of comparison in its many parts. At present the statistics of the different countries are in greatly varying degrees of development, and are frequently impossible of clear comparison the one with the other. These conditions we hope to ameliorate without undue delay.

The publications of the Alliance are dealt with in another section of the Report, and it is only necessary to add here that we are fully alive to the necessity of extending this part of our work. The Press and Propaganda Exhibition at Stockholm, the publication of the International Directory of the Co-operative Press, and the Special Propaganda Conference at Stockholm will doubtless give an impetus to this work, and we are confident that the plans now in hand will ensure a more extensive and varied output.

The organisation of the International Summer Schools is a new piece of work which promises to develop into a useful adjunct and even an educational influence in the I.C.A.

One interesting feature, which is not elsewhere noted, was the Celebration of the 30th Anniversary of the Alliance on the 19th August, 1925, which, while it took upon itself a very modest form, was nevertheless the occasion of gratifying references in many lands. A monograph on the subject was sent out to all National Organisations for publication in their journals, and those of the Founders of the Alliance still living were invited to send messages for publication in the "Bulletin." In response to this request we received greetings and congratulations from Sir Horace Plunkett (Ireland), Sir William Maxwell and Mr. G. J. D. C. Goedhart (ex-Presidents of the I.C.A.), Professor Charles Gide (France), Henry W. Wolff (London), Mr. James Deans (Scotland), and Mr. Andreas Gyorgy (Budapest).

In the various sections of the Report which follow we have endeavoured to give an impression of the variety of the work of the I.C.A., which we think will fully justify our earlier suggestion that the Alliance is steadily increasing the area of its membership, the intensity and variety of its activities, and, at the same time, its usefulness. When we add to this record the excellent work being carried on under its auspices towards the establishment of International Co-operative Banking and Assurance, also the development of International Co-operative Trading, which it initiated, we are satisfied that the Congress will feel that there is ground for saying the Alliance is a living international force. Much remains to be done, but, with goodwill and a continuance of loyal collaboration on the part of its members, the International Co-operative Alliance is assured of the triumph of its ideals.

MEMBERSHIP.

The International Co-operative Alliance now comprises the Consumers' Co-operative Movements of 35 countries. The number of its members is 68 (plus 480 British Societies), comprising 103 National Unions and Federations, 8 Regional Unions, 485 Retail Societies.

The character of the Organisations included in the membership may be further ascertained from its distribution amongst the various forms of Co-operative Organisation as follows :—

National Unions or Federations—	
Consumers'	36
Wholesale	30
Productive	4
Credit	1
Agricultural	10
Banking	9
Assurance	8
Publishing	3
Propaganda	1
Women's Guild	1
Regional Unions	8
Local Consumers' Societies	485

The growth of the Alliance may be seen in the following comparative statement, which, though necessarily approximate, has been prepared with care from the returns received from the different countries. Every effort has been made to avoid the duplication of either Societies or individual members :—

	1913.	1920.	1924.	1927.
Countries	23	24	30	35
Unions or Federations—				
National	55	44	74	103
Regional	—	—	—	8
Societies constituting the				
Unions or Federations	3,871	60,000	75,000	100,000
Individual Members ...	20,000,000	31,000,000	40,000,000	45,000,000

The following changes in the membership have taken place since the Ghent Congress in 1924 :—

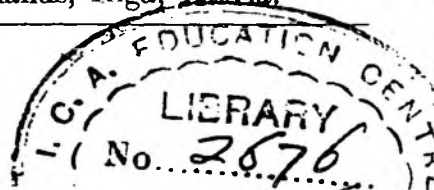
Organisations Admitted.

National—

- *Centrala Bancilor Populare, Bucarest, Roumania.
- Cooperatieve Groothandelsvereniging "De Handelskamer," Rotterdam, Holland.
- General Co-operative Association of Jewish Labour in Erez-Israel "Hevrat Ovdim," Tel-Aviv, Palestine.
- All-Russian Union of Agricultural Co-operative Societies of the U.S.S.R., "Selskosoyus," Moscow, Russia.
- White-Russian Central Union of Consumers' Societies "Belcoopsoyus," Minsk, White Russia.
- Union des Banques Populaires, Sofia, Bulgaria.
- Latvijas Tautas Banka, Riga, Latvia.
- Verband der Konsumvereine Lettlands, Riga, Latvia.

* Re-admitted.

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Regional—

- ✓ Bombay Central Co-operative Institute, Bombay, India.
- Zveza Gospodarskih Zadrug, Ljubljani, Yugo-Slavia.

Auxiliary—

- All-Ukrainian Co-operative Insurance Union "Coopstrakh," Charkow, Ukraine.
- All-Ukrainian Book-selling and Publishing Society "Knyhospilka," Charkow, Ukraine.

Individual Society—

- Casa do Povo Portuense, Oporto, Portugal.

Amalgamation.

- | | |
|---|--|
| Zwiazek Polskich Stowarzyszen
Spozywczych, Warsaw, Poland. | } Zwiazek Spoldzielni Spozywcow
Rzeczypospolitej Polskiej,
Warsaw, Poland. |
| Zwiazek Robotniczych Spold-
zielni Spozywcow, Warsaw,
Poland. | |

Cessation of Membership.

- Magyar Union, Budapest, Hungary.
- Federazione Italiana dei Consorzi Agrari, Piacenza, Italy.
- Landes Kredit Verband, Lemberg, Poland.
- *Lega Nazionale delle Cooperative, Milan, Italy.
- Sociedad Obrera Cooperativa de Pan, Rosario de Santa-Fé, Argentine.
- Suomen Osuuskauppojen Keskuskunta, Helsingfors, Finland.
- "Hasztartas" Fogyasztasi Szovetkezet, Budapest, Hungary.
- Alleanza Cooperativa Torinese, Turin, Italy.

THE COMMITTEES OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE.

The Central Committee of the Alliance now numbers 58 members; four have been added since the last election in accordance with the Rules and in virtue of the authority given by the Congress to co-opt members in cases where the qualifying conditions laid down in the rules have been fulfilled; three members have withdrawn as a result of the amendment to the Rules at Ghent which increased the qualification for a second and subsequent additional representative from £50 to £100 of subscription.

Since the last Congress three ordinary meetings of the Central Committee have been held—at Ghent, September, 1924; Paris, October, 1925; and Hamburg, October, 1926. A Special Meeting to consider the Report to Congress was held in April at Brussels, and the Statutory Meeting will be held at Stockholm on the eve of the Congress.

* Suppressed by the Fascist Government.

The Executive of the International Co-operative Alliance has held nine meetings—at Ghent, September, 1924; Frankfort, January, 1925; Stockholm, June, 1925; Paris, October, 1925; The Hague, January, 1926; Antwerp, May, 1926; Hamburg, October, 1926; Strasburg, February, 1927; Brussels, April, 1927—and will hold the tenth at Stockholm.

The Committee of Honour now numbers 14, four members having died since the last Congress, whose names are included in the list of deceased members.

Sub-Committees have been appointed from time to time to prepare special reports on different matters, as, for example, The Form of Uniform Statistic most generally applicable to the different Organisations in the I.C.A., The Preparation of Propaganda Material and other Publications, The International Summer School, etc.

The Auxiliary Committees.

The Committee for the Study of International Co-operative Banking Operations continues its work with increasing success and extension as an auxiliary of the I.C.A.

The Committee on International Co-operative Assurance also continues its work in association with the Alliance.

The Committee on International Co-operative Trading, now known as the International Co-operative Wholesale Society, continues to work in friendly and close relations with the I.C.A., and to hold its meetings at the same time and place.

These three Committees, whose membership is separately constituted in each case with regard to the special subjects of study, present their separate Reports, which are included in this Report.

THE RESIGNATION OF THE PRESIDENT OF THE I.C.A.

Mr. G. J. D. C. Goedhart, who has served the Alliance for many years in various capacities, has been its President since the Congress at Basle in 1921, where he presided in the absence through ill-health of Sir William Maxwell.

In October, 1925, Mr. Goedhart tendered his resignation to the Executive on the grounds of failing health and the fatigue of travelling to the meetings of the Alliance. There was also the strain of the conduct of the meetings whose proceedings were carried on in three languages, involving, as it did for Mr. Goedhart, the use of three languages none of which is his mother tongue. The Executive, however, deferred the consideration of the matter, and urged Mr. Goedhart to reconsider his decision. In order to discuss the whole question with the President personally, the next meeting was held at The Hague, when Mr. Goedhart, yielding to the pressure of his many friends, agreed to continue in

office so long as his health permitted. and on the clear understanding that he should not be asked to travel long distances to the meetings of the Alliance.

Aided by his retirement from more than 40 years' official duties in the States General at The Hague, Mr. Goedhart has continued to preside over the meetings of the Alliance until February of this year, when, acting upon medical advice and that of his family, he declared his inability to take part in the meetings at Strasbourg, and subsequently sent a letter definitely resigning his functions. That letter was considered at the meeting of the Central Committee held in Brussels in April last, when it was decided, with deep regret, to accede to the wishes of Mr. Goedhart and the needs of his health.

The Central Committee unanimously agreed to place on record its high appreciation of the work of Mr. Goedhart and of his great services to International Co-operation.

THE RULES OF THE I.C.A.

The questions involving amendment to the Rules which have been most prominent in recent discussions are those of Subscriptions and Representation. On the former it was proposed some time ago to abolish the "mean rate" of subscription for countries with depreciated currency as provided in Clause IV of Article 17, on the ground that in several countries the currency had been stabilised, and that, generally, the fluctuations had been checked, so that the post-war chaos was definitely progressing towards equilibrium.

The consideration of the proposal was adjourned in 1925, but has recently been resumed at Strasbourg, when it was decided to propose an amendment to this Rule which, while having for its object the restoration of the subscriptions to the I.C.A. to the standard rate, would proceed by easy stages instead of abolishing forthwith the provision of relief to countries in which currency is not yet stabilised. In such cases the amendment proposes to make the minimum payment equal to three-fourths of the "standard rate," and to give power to the Executive to increase the proportion gradually as the progressive improvement in the currency is maintained until the standard rate is reached.

It may be noted that the practical operation of the existing provision is to reduce the subscriptions of the countries concerned, in some cases by nearly 50 per cent. The adoption of the above proposal would, therefore, effect considerable improvement to the revenue of the Alliance from those countries.

The case was also considered of those National Organisations which have not yet seen their way to accept the responsibility of "Collective Membership" and the payment of subscriptions on

the scale set out in Article 17 (b), III, but which at present enjoy all the advantages of membership in respect of a subscription of £10 per annum for the National Organisation. These advantages include, *inter alia*, the right to a representative on the Central Committee of the I.C.A.; the right to appoint two voting delegates to the Congresses; and to participation in the work of the International Trading, Banking, or Assurance Committees.

Eventually it was decided not to propose any alteration of Rule to meet this position, but to appeal to the National Unions concerned to give full effect to the existing Rule, which provides that where a National Organisation, by reason of the smallness of its members or its slender resources, is admitted to membership of the Alliance as an "Individual" member, it shall be under the obligation "to induce its own Society members to become direct subscribers to the Alliance, or, in the alternative, of itself paying the difference between the 'individual' and 'collective' subscriptions as provided in Article 17."

On the question of "Representation at Congress," the necessity has arisen, in view of the disproportion in the number of members in the different countries, to safeguard the Alliance from having its decisions in Congress or in the meetings of the authorities of the Alliance unduly influenced by the views of any particular group or nation, and thus forcing an unpalatable policy upon the minority by a mechanical majority. The constitution of the I.C.A., while essentially democratic in principle, is inevitably driven to provide safeguards and facilities of this sort, in order to preserve some degree of equilibrium between its members, who represent such varying degrees of strength and resources. National as well as ideological differences arise even in an International Organisation, and when they are acute, as sometimes happens, it is necessary that the conditions of participation in the work of the I.C.A. should have regard to them and secure to the weaker members an equitable share in the authority as in the responsibility for the decisions.

It was, therefore, decided to propose to the Congress an amendment of Article 22 which would provide that no country, or union of countries, shall exercise more than one-fifth of the total voting power of the Congress. This proposal introduces no new principle into the Rules, but continues, as always, the search for an equitable basis.

Following in the same order of ideas, the question of representation on the Central Committee has been discussed from time to time, and specific proposals have been made, all of which have been rejected. At the meeting of the Central Committee at Hamburg last October the ground was traversed in lengthy discussions, but it was felt that the difficult problem of finding a

just balance between the smallest and the largest countries was not capable of solution by small amendments of the Rules. The Central Committee, therefore, adopted the following resolution :—

“The Central Committee is of opinion that the question of representation in the Alliance cannot be settled by minor alterations in the present Rules. It, therefore, invites the Executive, and those members of the Alliance who are interested in the alteration of the present basis of representation, to carefully consider and prepare other solutions with a view to greater unanimity. Meanwhile, that the consideration of the whole question be adjourned.”

In order to give the matter the widest consideration, all the members were invited to send in their suggestions for the re-arrangement of representation on the Central Committee.

At the same time the Central Committee agreed :—

“That the maximum representation on the Central Committee shall only be accorded to any country on the payment of a total ‘collective’ subscription in accordance with the rules, or an equivalent sum in the case of ‘individual’ Society membership.”

THE NEUTRALITY OF THE I.C.A.

For the past six years the question of what constitutes the Neutrality of the International Co-operative Alliance has been a burning one. Previous to the Congress at Basle in 1921, the principle was very well understood and generally observed in practice. Since that Congress, however, new elements have entered into the philosophy, and also into the psychology, of the Alliance, and the principle of Neutrality seems to have been almost continuously in dispute. It is not necessary, at the moment, to go further back than the Ghent Congress, when a resolution on the subject was discussed and adopted, the text of which appears in the Report of that Congress.

At the subsequent meeting of the Central Committee a letter was received from the Finnish Union, Suomen Osuuskappojen Keskuskunta, in which was expressed their disapproval of the policy and activities of the I.C.A., which, in certain directions, appeared to them to infringe the principle of Neutrality. In view, however, of a previous decision of the Executive to hold an early meeting at Stockholm in order to meet the representatives of the North European countries, it was decided to convene a Special Conference at Stockholm, to which the Northern Unions should be invited to send representatives, with a view to arriving at a common understanding on the policy of the Alliance.

The Conference was duly held at Stockholm on 28th June, 1925, and was participated in by representatives from Sweden, Finland, Denmark, and Estonia, with, of course, the full Executive of the I.C.A. Lithuania and Latvia were invited to send delegates, but were unable to do so.

A general discussion took place, based, however, upon memoranda submitted by the Danish Union, and Mr. Anders Oerne, for the Swedish Union. The Finnish delegates based their complaint against the character of the activities of the Alliance upon what they called the Paris Programme, which was, in fact, the conclusions and programme adopted by the Inter-Allied and Neutral Conferences held at Paris in 1919, which included resolutions on the questions of International Co-operative Principles and Policy, with a general programme of necessary immediate measures, such as the establishment of International Economic Councils for the equitable distribution of the world's resources in foodstuffs, reductions of customs' duties, the development of transport, etc.

In general the speeches revealed the attitude of the Northern Unions towards Neutrality as excluding the Alliance from expressing an opinion, adopting any resolution, or taking any action which at any point might have direct contact with, or dependence upon, politics or political action. Some expressed the view that joint action with Trade Unions, or any relation with the International Labour Bureau, would be a breach of the Neutrality of the I.C.A.

The Conference was unanimous that the Neutrality of the Alliance should be maintained, the principal question being how Neutrality should be defined. Eventually, it was agreed that the General Secretary should prepare a memorandum on the purely co-operative questions with which the Alliance should deal.

This memorandum was duly prepared and submitted to the Central Committee at its meeting at Paris in October, 1925. The following is a summary of the principal points. After dealing at some length with the abstract question of how Neutrality, whether religious or political, may be defined, the memorandum proceeded to discuss its practical application to the I.C.A.

The Neutrality of the I.C.A. was a restraint upon its own activities as a collective body. It imposed no similar restraint upon its members when exercising their own functions on their own territory. The declared purpose of the Rule of the Alliance was that "people holding the most varied opinions and professing the most diverse creeds may meet and act in common."

Only the Alliance or its authorities could violate the Neutrality of the I.C.A.

Cases had arisen of National Organisations acting against the interests of the Movement outside their own national boundaries. However reprehensible such action might be—and its evil could not be exaggerated—it did not constitute a violation of the Neutrality of the Alliance, but rather was a breach of that elementary good faith which alone could unite either men or societies for a common purpose. The Rules provided the means of dealing with “members which act contrary to the interests or Rules of the I.C.A., or whose activity is inconsistent with the principles of the Alliance.”

There was an aspect of Neutrality which was seldom mentioned, and was sometimes in danger of being overlooked. That was the right of every member of the I.C.A., whether as a Society or individual representative, in its Congress, Central Committee, or Executive, to enjoy the benefit of a neutral attitude towards his political or religious views.

The possibility of association with other International Bodies without violation of Neutrality must be decided by the following conditions:—

1. The subject of joint action must be consistent with the aims and principles of the I.C.A.
2. The means to be employed to attain the end in view must be free from “party” political action or religious bias.
3. The independence and authority of the I.C.A. in all such association must remain absolutely unimpaired.

The following suggestions were offered as to the directions in which the Alliance can work without breach of its Neutrality:—

I.—The collective action of the I.C.A. in making representations to national or international authorities, Governmental or otherwise, on behalf of any of its members who appear to be suffering injustice or disability as Co-operative Organisations.

The constitution and objects of the Alliance seem to impose on it the duty of making a preliminary intervention on behalf of any member that may demand its aid. If that preliminary intervention discovered causes of a political or religious character the intervention should at once cease.

II.—The registering of declarations by Congress, or other authorities of the Alliance, against conditions in any country which militate against co-operative development.

III.—Representations to any national or international authority in favour of economic measures of reform, conditions of labour, taxation, and co-operative legislation.

IV.—Relations with International Organisations within the limits already indicated and specifically decided upon the

lines of the Ghent Congress resolution, which provided for "the continuance of joint action with International Federations of Trade Unions in such specific matters as may arise from time to time, and subject to each question being previously submitted to and approved by the Central Committee of the I.C.A."

V.—Under the same limitations, the following questions are amongst those which could be promoted jointly with the International Federations of Trade Unions :—

- (a) Endeavours to establish universal peace.
- (b) Conditions of labour in Co-operative Societies and arrangements having for their object the avoidance of strikes.
- (c) International fiscal policy.
- (d) Any other economic developments which have a special interest for trade unionists as such, or in which their participation would facilitate co-operative development.

VI.—The exchange of fraternal delegates at Congresses, without prejudice.

VII.—The mutual publication in official journals of economic, trade union, and co-operative news.

After considerable discussion, the memorandum was unanimously adopted, and at present constitutes the official declaration of the Alliance through its Central Committee on the question of Neutrality.

COMMUNIST PROPAGANDA.

Closely allied with the question of Neutrality is the attitude of the Alliance towards the persistent campaign which has been waged for the past few years against the organised Co-operative Movement in several countries, against members of the I.C.A., and indeed against the Alliance itself, in the interests of Communism and the Soviet régime. If, on the one hand, the Alliance has been criticised—soberly and intelligently be it readily admitted—for its lack of Neutrality, and for its too broad sympathies with progressive forces, it has, on the other hand, been the victim of violent and ill-founded attacks for its failure to adopt a revolutionary programme and policy.

Between these two influences the Alliance has endeavoured to steer a clear course and to preserve an even keel. There have, however, been shoals and quicksands which so far have been safely negotiated, but not without the expenditure of much energy which might otherwise have been more usefully employed in pursuit of our legitimate aims.

The question was brought to the notice of the Executive at Frankfort by the German Central Union, one of the first of the members of the Alliance to suffer the attacks of Communist agents, which submitted to the Executive the question of what should be the attitude of the I.C.A. towards the campaign of calumny and misrepresentation to which they were being subjected. The instances mentioned to the Executive included the I.C.A. and also the German Union.

After a long discussion, during which the texts of several resolutions were proposed, the question was adjourned until the next meeting, the President and General Secretary being charged meanwhile to prepare a suitable proposal for adoption.

The members of the Central Committee were also asked by correspondence to express their opinion on the statements made at Frankfort by Mr. H. Kaufmann and Mr. L. Khinchuk.

At the meeting of the Executive at Stockholm in June, 1925, the text of a resolution submitted by the President and General Secretary, which is given below, was adopted:—

“The Executive of the I.C.A. has observed with regret, particularly since the Ghent Congress, the attacks which have been made upon the Alliance from quarters which may be assumed to have relations, direct or indirect, with National Co-operative Movements affiliated with the I.C.A.; also the persistent efforts, obviously inspired from the same sources, to carry particular forms of economic and political propaganda into the Co-operative Movements of other countries.

“The Executive declares that the support or countenance of, or failure to denounce, these attacks and of this method of propaganda is entirely contrary to the spirit of the Statutes of the Alliance, which provide for the complete autonomy and independence of each National Movement, while imposing the obligation of political and religious neutrality upon the Alliance itself.

“The Executive further expresses its determination to maintain the fullest respect for those fundamental principles, and in all cases of default to rigidly enforce the alternatives provided in the Rules.

“As a general precaution, the General Secretary is hereby instructed to immediately report to the Executive any departure from the Rules of the Alliance which may come under his notice.”

Further attacks on the Alliance were mentioned at the meeting at Paris in October, 1925, when Mr. Khinchuk, repeating what he had already declared at Frankfort, said that “Centrosyus” could not be held responsible for anything that was published outside its own Organisation.

At Hamburg in October last the General Secretary submitted a report of which the following is the text of the principal paragraph :—

“For two or three years past the Alliance has been subject to attacks published in the journals of different countries. The information on which these attacks are based has obviously been furnished by Russian representatives in the Alliance; is sometimes, though rarely, attached to their names; and is most often found in Communist journals and information emanating from Moscow. Individual members of the Executive are the subject of attack for their views and votes at our meetings; Co-operative Societies are urged to call them to account for their action in the Alliance; alleged reports of our proceedings are handed out for publication containing garbled and inaccurate statements; little or no reference is made to our proper work; and the world is led to believe that certain propositions submitted by the Russian Organisations, or in which they are specially interested, constituted the only business of the meetings of the Alliance in question.”

There for the present the matter stands.

THE POLICY OF INTERNATIONAL CO-OPERATION.

The question of the formulation of an economic policy to which the Alliance could officially give its adherence has been the subject of many memoranda and discussions during the past five or six years. Up to the present, however, no real progress has been made; that is to say, the I.C.A. has not yet defined an Economic Policy which could truly be described as both international and co-operative.

A lengthy report was submitted to the Ghent Congress detailing all the activities of the Alliance in that direction during a relatively fruitful period of similar work on the part of other international bodies. No resolution, however, was submitted to the Congress, and the consideration of the question was only resumed at Frankfort in January, 1925.

The net result of further discussions on the memorandum of the President and a resolution submitted by the French National Federation was nil; the former was adjourned until the next meeting and the latter was not adopted by the Executive. It may be of interest to give the text of this resolution, which was as follows :—

“The Central Committee of the International Co-operative Alliance—in view of the decisions taken by the Assembly of the League of Nations concerning the juridical and political organisation of the peace, and the statements made

by several delegates regarding the necessity of eliminating from international economic relations all economic war-like factors and of establishing between the peoples economic relations of concord and peace—

“Recalls that the principle of human solidarity has always been the supreme inspiration of the Co-operative Movement in every country, and expresses the hope that practical measures should be taken to cause this principle to penetrate the economic relations between States.

“To this end the Central Committee—referring to Article 23 of the Peace Treaty, in which members of the League of Nations pledge themselves to take ‘the necessary steps to guarantee and maintain freedom of communications and transit as well as equitable commercial treatment for all members of the League,’ and declaring that the League of Nations ought to become universal, and that, consequently, the principle of ‘equitable treatment’ ought to apply to every State—

“Recommends :—

“1. That, in accordance with this principle, economic agreements between States, and especially commercial treaties, should enter, as far as possible, into the terms of agreements—of a universal type.

“2. That, to enlarge the basis of these agreements and generally to assure full realisation of the principles of liberty, equality, and co-operation in relations between the peoples, there should be instituted, with the help of the great organised economic forces—industry, agriculture, commerce, credit, labour, and consumption—an International Economic Council, the administrative body of which should be appointed by the General Secretary of the League of Nations and by the International Labour Bureau.”

At Stockholm in June of the same year the President submitted again his memorandum without alteration of the original text, and it was referred to the Central Committee at Paris. This process continued until May, 1926, when the treatment of the question merged almost imperceptibly into that of the International Economic Conference which the League of Nations had decided to organise at Geneva.

The International Economic Conference.

The Assembly of the League of Nations decided on the 24th September, 1925, to convene an International Economic Conference with the object of investigating the economic difficulties which stand in the way of the revival of general prosperity and

economic peace, thereby contributing to security among the nations and of establishing peace throughout the world.

They decided as a preliminary step to appoint a Preparatory Committee to prepare the programme and work of the Conference. This Preparatory Committee was to consist, not of representatives of Governments or Organisations, but of persons chosen as experts and best fitted by their qualifications and personal experience for the task of preparing for the Conference.

This scheme was brought to the notice of the Central Committee at Paris in October, 1925, when the French National Federation submitted a further resolution having for its object the securing of the widest possible representation of the Co-operative Movement on the Preparatory Committee. This resolution was adopted in the following terms:—

“The Central Committee of the International Co-operative Alliance meeting at Paris notes with satisfaction the resolution of the General Assembly of the League of Nations with reference to the convocation of an International Conference with a view to the economic organisation of peace, the preparation for which should be made by a Committee appointed by the League.

“The Central Committee regards such a resolution as the first step towards the International Economic Policy which is the natural outcome of the principles of the Co-operative Movement, which principles the Alliance established at its Congress at Basle in 1921.

“In view of the fact that the economic organisation of the people is the basis of disarmament in all its forms, the Central Committee urges the Council of the League of Nations to appoint, as early as possible, that Committee representative of ‘all the great economic forces of the world.’

“The International Co-operative Alliance, representing 50 million Co-operators throughout the world, is prepared to accept participation, to the greatest possible extent, in the Committee which must organise the Conference.”

The resolution was sent to the League of Nations, and every effort was used to secure the appointment of a representative of the I.C.A., but without success. It was ascertained that no invitation would be sent to any Organisation, and that neither an English, French, or German Co-operator would be selected. It was, however, found possible to indicate unofficially the names of representative Co-operators in other countries, and as a result Mrs. E. Freundlich and Mr. Anders Oerne were invited to take part in the work of the Preparatory Committee.

This Committee terminated its first session while the Executive of the I.C.A. was in session at Antwerp on 1st May, 1926. It was at once decided to ask our unofficial representatives, Mrs. Freundlich and Mr. Anders Oerne, each to prepare a special report on International Economic Policy having regard to the position of the International Co-operative Alliance as an economic institution, and also to the programme in preparation for the Conference. Professor Edgar Milhaud, of Geneva, member of the I.C.A. Committee of Honour, was also asked to prepare a similar report of an objective character.

Meanwhile, the International Labour Office, in active collaboration with the Preparatory Committee and in agreement with the Secretariat of the I.C.A., had appealed to all the National Co-operative Organisations for their collaboration in certain directions for the collection of economic data.

The Reports of Mrs. Freundlich, Mr. Anders Oerne, and Professor Edgar Milhaud were considered by the Central Committee at Hamburg, and two of them were subsequently published in the "Bulletin" for September and November, 1926. In the discussion which ensued, a proposal was made by the Russian delegation that a World Economic Conference should be convened by the I.C.A. in conjunction with the International Federations of Trade Unions. This proposal was negatived, and the confidence of the Central Committee in their colleagues who were serving on the Preparatory Committee was affirmed.

The second session of the Preparatory Committee was held from 15th to 20th November, and the final report of that Committee was issued at the end of November. Immediately afterwards we received a joint report from Mrs. Freundlich and Mr. Anders Oerne, which was circulated to the members of the Alliance.

Their report is of such importance that we give the text in full :—

Report of the Second Session of the Preparatory Committee of the International Economic Conference.

The Preparatory Committee instituted by the League of Nations to prepare the Economic Conference held its second meeting during the week from 15th to 20th November, 1926.

It was the work of the first meeting to arrive at an understanding on the facts which are the cause of the present economic crisis. It had to select from a vast amount of material the essential matters to be submitted to the Economic Conference. The International Labour Office and the Economic Secretariat of the League of Nations have prepared abundant material for

this purpose. Over 80 documents were submitted to the members of the Preparatory Committee, a number of them being of exceptional interest and value. Two documents of the Co-operative Section of the International Labour Office, one on the importance of the Co-operative Organisations on the international market for cereals and milk products, and the other on the fixing of prices by the Co-operative Societies as against those of the private traders, have arrested attention, and constitute an invaluable means of propagating the co-operative idea. This was the first occasion on which two such important and extensive memoranda on the achievements of the Co-operative Movement have been brought to the knowledge of the wider circles of the population through the intermediary of the representatives of the economic organisations. It was especially from the agricultural section represented on the Committee that the memoranda received the widest recognition and appreciation. They may well prove to be material factors in strengthening the relations between the overseas Agricultural Co-operative Societies on the one hand and the European Consumers' Societies and their Wholesale Organisations on the other.

As on the previous occasion, a meeting between the Co-operative and Trade Union Representatives was held before the meeting of the Preparatory Committee, at which the following declaration was adopted :--

Declaration of the Co-operative and Trade Union Representatives.

The representatives of the Trade Union and Co-operative Organisations, who are members of the Preparatory Committee, wish to give expression to their general views regarding the further activities of the Committee, and to this effect declare that, whilst taking note of the material presented and the enquiries which have been made by the initiative and foresight of the responsible authorities, we are nevertheless of opinion that the members have a sufficient knowledge of the general economic position of the world, and that, therefore, the further activities of the Preparatory Committee should be devoted to the selection and the study of the special subjects to be placed on the Agenda of the Economic Conference.

In selecting the items for discussion, the Representatives of the Co-operative and Trade Union Organisations are guided by the following principles, which have been the basis of their activities since the war—The Economic Organisation of the Peace; The Organisation of the Labour Market as a remedy against Unemployment; The Raising of the Standard of Living so as to correspond with the progress of culture and dignity of mankind.

Realising that the Economic Conference, if it is to attain its object, must aim at the formulation of a limited programme, the Representatives of the Trade Union and Co-operative Organisations on the Preparatory Committee propose the following items for inclusion in the Agenda:—

I.—The Stabilisation of the Exchanges.

In this connection we have not only in mind the endeavours which have been made to bring the various currencies back to the gold standard, but especially those which aim at securing the stability of the purchasing power represented in the gold standard, compared with the price of goods and the wages of labour, as being the only means of stabilising prices and thereby the productive activities, thus assuring regular employment to the workers.

II.—The Struggle against Obstacles to International Trade.

Measures must be taken against excessive protective duties and restrictions on imports and exports; above all, the right to export raw materials must be established; increased agricultural production and its rationalisation should also find favourable consideration.

III.—Effective Guarantees for International Economic Association so that the Interests of the Consumer and the Worker should not be Prejudiced.

IV.—The Organisation of the Migration of Labour.

V.—The Establishment of a Permanent Economic Institute.

The object of Item V. of the Agenda is to assure the carrying out of the decisions of the Conference, and the Institute would have to prepare the way for the continuation of the work of the Conference and to supervise its realisation. In our opinion, such an Institute would bring about the regular convocation of Conferences similar to the one which is to be held shortly, and the appointment of a permanent Council of Administration which could meet more frequently and exert a certain influence on the direction and the carrying out of its decisions. Such an Auxiliary Council would, of course, be composed of representatives of the States and all the larger Economic Organisations, and might be divided into the following groups: (1) Industry; (2) Agriculture; (3) Trade and Finance; (4) Labour; (5) Consumption.

Industry and Labour would be represented by members proposed by the group of employers and workers on the Administrative Council of the International Labour Office. The representatives of the consumers would be proposed by the International Labour Office and the International Co-operative Alliance, and those of agriculture by the International Labour Office and the International Institute of Agriculture at Rome. In this way a

splitting up of the forces would be avoided and an internal relationship would be established.

The Sub-Committees which were appointed at the first meeting of the Preparatory Committee to discuss the Agenda assembled again after the opening of the Second Session, and came to definite conclusions on the various items of the Agenda. After lengthy consideration, the question of the International Migration of Workers, which is one of the most important factors in the present economic crisis, was excluded. The First International Economic Conference is only to discuss such questions as are likely to lead to an understanding and to definite decisions. The problem of migration has not yet reached that stage, and it would be practically impossible to reconcile at present the opposing interests of the various countries.

The Stabilisation of the Exchanges was also excluded from the Agenda, because most of the currencies are now stabilised, and the question how far taxation and the burden of war debts have influenced the economic position of Europe is not yet sufficiently advanced to allow of a general discussion. The opinion on questions of Taxation is so divided in the various countries that an international agreement seems out of the question for a considerable time to come. In the discussions on the various items of the Agenda it will be practically impossible to exclude the question of credit policy and its relation to economic development.

Co-operative Representation at the Conference.

When sending out the Report of the co-operative members of the Preparatory Committee, we made an appeal to each National Union to urge upon its National Government the necessity of including representative Co-operators in its delegation to the Conference, either in the capacity of members or as expert advisers. That appeal received a very favourable response, and eventually the Conference comprised a substantial number of Co-operators, as the following list will show:—

MEMBERS.—International Co-operative Alliance, Mr. H. J. May; Austria, Mrs. E. Freundlich; Sweden, Mrs. Anders Oerne; Belgium, Mr. Victor Serwy; Estonia, Mr. J. Kukk; Finland, Mr. J. W. Keto, Mr. W. A. Lavonius, Dr. E. Hynninen; Bulgaria, Mr. Kiril G. Popoff; Russia, Mr. L. Khinchuk; Japan, Mr. T. Shidachi, Dr. Kwanji Sato, Mr. Y. Hasumi; Czecho-Slovakia, Mr. F. Klindera; Latvia, Mr. P. Siceeniaks.

EXPERTS.—Great Britain, Mr. A. Varley; France, Mr. E. Poisson, Mr. P. Vimeux, Mr. Cahen Salvador; Germany, Mr. H. Kaufmann; Belgium, Mr. Chèvremont, Mr. Lambert; Czecho-Slovakia, Mr. E. Lustig; Poland, Mr. Z. Chmielewski.

The constitution of the Conference included, in addition to five representatives appointed from each State, certain supplementary nominations by the Council of the League of Nations. In March last the Council of the League decided upon these special members, and we are glad to report that the I.C.A. was one of the Organisations chosen to nominate a member, and the General Secretary of the Alliance was duly appointed and participated in the Conference in that capacity.

The International Co-operative Alliance has, therefore, especial reason to be satisfied that its efforts to secure the recognition of International Co-operation have at last met with a measure of success.

The Proceedings at Geneva.

The Conference opened at Geneva on the 4th May, and continued until Monday, 23rd May, under the Presidency of Mr. Georges Theunis (ex-Belgian Minister), who opened and closed the proceedings with able and comprehensive addresses, in addition to presiding over the discussions with great tact and acute judgment. In the opening Plenary Session two Co-operators appeared at the tribune and addressed the Assembly, viz., Mr. H. J. May, on behalf of the International Co-operative Alliance, and Mrs. Emmy Freundlich as representative of Austria.

Mr. H. J. May outlined the position of the Alliance with regard to its constitution and basis, its aims and extension. He declared that, face to face with the wider problems of the Conference, there was little difference between the demands of co-operators and those of the general body of citizens who are not co-operators. That was because the co-operative principle corresponded in fact to the general interests of the community and was opposed to individual profit making. The differences between the two sections were mainly those of method. He suggested that the Co-operative Movement had been working quietly at these problems for a generation or two. Its progress, as a voluntary association, made up of the mass of democracy without initial capital save the narrow margin of saving from the wages of labour, had been necessarily slow, but its success was beyond question. It had made its greatest demonstrations for peace—economic and political. Even while the war was yet in progress Co-operative Conferences were held in Paris with the object of defining the after-war programme and policy of co-operation. When in 1921 the first post-war Congress of the I.C.A. was held at Basle, the policy of International Co-operation was clearly defined and unanimously adopted. The declaration of Basle remains unaltered to-day in any essential feature, and Mr. May, after quoting the text of the resolution of Basle, concluded by saying that co-operators believe that along

those lines lies the ultimate solution of the problems before the Conference.

At the close of the First Plenary Session, which lasted four days, the Conference divided into three main Commissions: Commerce, Industry, and Agriculture, each of which proceeded to thrash out the appropriate problems of the Agenda.

Previous to the separation of the delegates to the different Commissions, the President announced the appointment of twelve Vice-Presidents of the Conference. The importance of these appointments lies in the fact that the Vice-Presidents were ex-officio members of the Co-ordinating Commission, which had the task of editing the many resolutions of the three Commissions and bringing to the final Plenary Session of the Conference draft resolutions for adoption which, to the greatest possible extent, would satisfy the demands of the different elements of which the Conference was constituted. It was, therefore, with very great satisfaction that we found our colleague, Mrs. Freundlich, appointed a Vice-President. Her tact and geniality, no less than her industry, fully entitled her to the post.

It was in the Agricultural Commission that the presence of the co-operative representatives found the fullest justification and where the contributions to the day by day discussions were received with attention. Its membership included the following co-operators: Messrs. H. J. May, E. Poisson, Anders Oerne, Dr. Hynninen, J. Kukk, Dr. Sato, and A. Varley, while in the Commercial Commission co-operation was sustained by Victor Serwy, J. Chévremont, and Mrs. Freundlich, and in the Industrial Commission by J. W. Keto, Mrs. Freundlich, and W. A. Lavonius.

In the final report of the Agricultural Commission and its recommendations, which were adopted by the Conference with practical unanimity in the final Plenary Session, the Co-operative Movement found its rightful place. The report on agricultural credit is generally favourable to our principles, but the triumph of Co-operation in the Conference is contained in the text of the first special resolution which reads as follows:—

“1. AGRICULTURAL CO-OPERATION : RELATIONS BETWEEN AGRICULTURAL CO-OPERATIVE SOCIETIES AND CONSUMERS’ CO-OPERATIVE SOCIETIES.

“(i.) The agriculturists of the different countries contribute to the improvement of their standard of living and to the general prosperity by utilising to an increasing extent all forms of Co-operation: Co-operative Supply Societies, either for technical or domestic requirements of members; Co-operative Selling Organisations for the regular marketing of products; Producers’ Co-operative Societies for the intermediate process between the production of the raw material

and the sale of the finished product : Co-operative Credit Societies to meet the need for capital (bringing equipment up to date, improving the cultivation of the soil, storage of products).

“ Co-operative institutions thus increase the purchasing power of agriculturists both as producers and as consumers. At the same time they further economic progress both by increasing productivity and improving quality, and also by making it possible to utilise fully the products of the soil and their by-products. Lastly, they assist the organisation of markets by methods which reduce to a minimum the costs of distribution.

“ (ii.) The Agricultural Co-operative Societies will contribute to a still greater rationalisation of economic life in proportion as they develop their relations with the Consumers' Co-operative Societies. Direct commercial relations between producers and consumers, and between associations of producers and consumers, eliminate superfluous intermediaries, and, when they are sufficiently widespread, they result in the establishment of prices, which are advantageous to both parties. In addition to material profit, there is a moral advantage : by direct commercial relations producers and consumers learn to know each other and to take account of the special characteristics and requirements of the other party. The Producers and Consumers' Co-operative Societies learn to appreciate the value of direct relations in accordance with their common principles. The clear realisation of the possibility of mutual collaboration and mutual confidence in business transactions are essential to a practical solution of the question of direct commercial relations between Producers' Agricultural Co-operative Societies and Consumers' Co-operative Societies—a question which has for a long time past been settled in theory.

“ The efforts made to achieve practical results should be furthered on the part of agriculture by the production of articles of specific quality and uniform type ; on the part of the Consumers' Co-operative Societies by the determination to buy agricultural produce as far as possible from the Agricultural Producers' Co-operative Societies ; on the part of the States and of the public authorities by supporting the Co-operative Movement through the creation of chairs at universities or of other scientific institutions, the institution of public courses dealing with the Co-operative Movement, and by a fiscal policy of abstention from discriminatory measures against Co-operative Societies.

“ Effective collaboration, if need be in the form of common undertakings, will be the easier of realisation if

the Producers' and Consumers' Co-operative Societies of the different countries are already nationally organised in common economic committees.

"To ensure the normal development of Co-operation in all the branches in which it exercises its activities, it is extremely important that the laws which govern Co-operation should be unified where such is not the case, and should impose the fewest possible obstacles.

"(iii.) International agreements between Co-operative Agricultural Organisations with regard to a number of products might be of value in placing markets on a sound basis, and might lead to the regularisation of production and the stabilisation of prices at levels satisfactory from the point of view of the balance between production and consumption. Such international agreements, to attain their aims, require loyal collaboration with the national and international Co-operative Consumers' Organisations by the establishment of regular business channels and long-term contracts.

"(iv.) These efforts of Agricultural and Consumers' Co-operative Organisations must be encouraged and furthered by the creation of a committee representing national and international Co-operative Organisations of Agriculturists and of Consumers—a committee which will be entrusted with the establishment of a programme of research and documentation, as well as with the task of elucidating the lessons taught by past experience, with a view to bringing about new achievements."

FUTURE ACTION.

Towards the end of the proceedings the President submitted a resolution, of which the following are the principal clauses :—

"The Conference is of opinion that the success of its work will depend upon the execution of the principles laid down. With regard to the action to be taken on its recommendations, the Conference, while offering no suggestion as to a permanent Organisation, cannot do better than draw the attention of the Council (of the League of Nations) to the well-balanced composition of the Preparatory Committee, which has yielded excellent results in the preparatory work for the Conference."

It will be observed that his recommendation deals in a very hesitating and indeterminate manner with the measures which should be taken to give effect to the findings of the Conference. It does, nevertheless, indicate the possibility of the establishment of a permanent economic organisation, and also the form of its constitution, in association with the League of Nations. It will

be remembered, however, that in the Preparatory Committee of the Conference, which is indicated as a suitable model for the more permanent body, the International Co-operative Alliance had no direct representation or part. It is, therefore, to be hoped that, in considering this final recommendation of the Conference, the Council of the League of Nations will be again influenced by that recognition of the importance of the I.C.A., amongst several other International Economic Institutions, which lead them to invite the representative of the Alliance to a seat in the Conference itself. The members of the I.C.A. in their respective national spheres should take good care that this important element is not overlooked.

THE ITALIAN SITUATION.

The position of the Co-operative Movement in Italy has considerably worsened since the preparation of the Report submitted to the last Congress which set forth the points of Dr. Suter's Report on his personal enquiry in Italy, and a statement of the President of the Lega Nazionale. The Ghent Congress also received an invitation from the representatives of the Italian Government, present at the Congress, to send a deputation to Italy for the purpose of making an enquiry on the spot and of reporting to the Alliance on the actual condition of affairs. It was, however, emphasised that the invitation was given in the name of the Fascist Co-operative Organisations and not in that of the Italian Government. The invitation was accepted, and for 18 months afterwards the Executive of the I.C.A. did its utmost to give effect to the proposal. Immediately, however, that the Alliance evinced a desire to select some of the places to be visited the communications from Italy ceased, and all efforts to secure the realisation of the project failed.

The Executive at its meetings at Stockholm in June, 1925, decided to reaffirm all the previous resolutions on this question and also the Report of Dr. Suter which was submitted in December, 1922. Further, to publish in the "Bulletin" an objective statement of the steps which had been taken by the Alliance to bring the matters in dispute to an impartial judgment and an amicable settlement. This statement appeared in the "Bulletin" for October, 1925.

As a general indication of the destruction which at that time had resulted from Fascist violence, it may be noted that the Italian Movement had previously numbered 8,000 Societies. At the beginning of 1924 that number had been reduced to 4,600, and by the end of 1925 only 1,000 Societies remained contributing members of the Lega Nazionale. Of those that had disappeared some thousands had been joined to the Fascist Organisation by force and were prevented from holding communication with their

Union. Large numbers of Italian Co-operators were fugitives in foreign lands, while hundreds had been killed or injured.

In November of the same year the climax was reached, at least so far as the Lega Nazionale was concerned. On Saturday, the 11th November, as Antonio Vergnanini was leaving the office of the Lega Nazionale, he was met by a party of Fascists accompanied by carabinieri and police who compelled him to return to the office, where they informed him that a decree had been promulgated by the Prefect of Milan dissolving the Lega Nazionale and ordering the delivery of the keys of the office into the hands of the Fascist co-operative chief, Alfieri, who had been appointed by the Government to take over the confiscated goods of the Co-operative Movement.

In addition to appealing direct to the head of the Italian Government, an appeal was issued by the Alliance to all National Organisations asking them to make representations to their respective Governments to secure their intervention on behalf of the much persecuted Italian Co-operators. To this appeal a large number of National Unions—25—readily responded, but without much direct result except vituperative articles in the Fascist Press against the International Co-operative Alliance for its campaign of "calumny" against Fascist tyranny. One of the official journals of Fascism, "Il Lavoro Cooperativo," published triumphantly the text of a telegram from Signor Mussolini to Signor Alfieri thanking him for the sentiments he expressed in seizing the Lega Nazionale and the possessions of the Co-operators.

The campaign of the I.C.A., both direct and through the members of the Alliance, provoked a good deal of comment in Italy, and was not devoid of useful influence.

At the meeting of the Executive held at The Hague in January, 1926, the General Secretary was authorised to use at his discretion the sum of £1,000 to aid the Italian Co-operators to keep together the remnants of their Organisation. He was also requested to take the best means available of meeting the members of the Council of the Lega Nazionale on an early date.

In pursuance of this resolution, the General Secretary left London on 1st March for Milan, where he had interviews with Antonio Vergnanini and several of his colleagues. He also visited different parts of Milan which had been previously the home of Co-operation, including the office of the Lega which had been transformed into a Fascist publishing department. Plenty of evidence was forthcoming of the violence, systematic brutality and destruction which the Co-operative Movement and its members had suffered. Sources quite independent of Co-operation were tapped and furnished irrefutable evidence that

the campaign of the I.C.A. had been very moderate in its statement of the case against the Fascist destruction of Co-operation.

A lengthy report was submitted to the Executive at Antwerp on 1st May, 1926, and it was decided to accede to the suggestion of the Italian Co-operators that a Co-operative Consultative Office, with Antonio Vergnanini as Director, should be established in association with the Alliance. The work of this Office is to hold together the strings of the old Movement in Italy; to encourage the faithful members who remain; and to give advice and practical help, where possible, to those who are able to continue the struggle for their independence.

The publication in a greatly reduced format of the journal of the Lega—"Cooperazione Italiana"—was resumed in July, 1926, and has continued a chequered existence until now. It is hoped in due time to re-establish the records, library, and historic documents of the Lega Nazionale confiscated in 1925.

Authentic reports on the general situation in Italy have been published from time to time in the "Bulletin," notably in January, April, and October, 1926, but since the middle of 1926 there has been a lull in the communications from Italy, and it is only occasionally that news is allowed to trickle through to foreign countries. There is no reason to suppose, however, that our fellow Co-operators in that unfortunate country are enjoying any immunity from the terrorism which has beset them so long. The report which we were able to present to the Executive in February last is evidence of this, as the following extracts will show:—

" 'La Cooperazione Italiana' is now placed upon the 'Black List.' Co-operators are forbidden to read it; many are compelled to return the copies and to ask that it may be discontinued in order to avoid unpleasant consequences. Obstacles to its distribution increase, and shortly it will have to be abandoned.

" Mr. Alfieri, Deputy and High Commissioner of the 'Ente Nazionale delle Cooperative,' has recently prepared a report to the Prime Minister in which he extols the progress of the new Co-operative Organisation. His figures must be taken with considerable reserve; in any case, the Co-operation which exists to-day is nothing else than that which was created by and which grew up under the auspices of the Lega Nazionale, although at present it is forced to wear the Fascist label.

" The truth is that, in comparison with the extraordinary and powerful development of Italian Co-operation in 1921-1922 (20,000 Co-operative Societies, of which 10,000 were Consumers' Societies) the Movement existing to-day is only a shadow of the past. Co-operation lives without faith, without will; Productive and Workers' Co-operative Societies have almost entirely disappeared; the employers have now re-established their power.

There remain only a few modest examples of Agricultural Co-operation, while formerly this form of Co-operation covered thousands of hectares of land, either owned or rented.

“In order to judge of the purity of the Italian Co-operative Movement, such as it is to-day, to understand by what spirit it is animated, it is enough to say that recently, without even asking the opinion of Co-operators, the Superior Council of the ‘Ente Nazionale delle Cooperative’ was formed under the Presidency of Mr. Luigi Luzzatti, and to it have been elected several notable people who have never had anything to do with Co-operation. But more than that, an official decree has appeared in the issue for the 30th December of the ‘Gazetta Ufficiale’ which again extols ‘the triumph of the co-operative principle,’ while at the same time it announces that ‘the Superior Council, which had just been formed, can ask the Minister of National Economy to dissolve any Co-operative Society which does not conform to the discipline imposed by the Fascists, or to replace its Board of Management by a Commissioner.’

“The foregoing details give but a scant impression of the real situation in Italy, where the outward forms of criminal violence and assassination, which characterised the earlier campaign of Fascism against Co-operation, have been very much modified and have given place to the quieter but no less deadly pressure of boycottage, suppression, and the administration of repressive decrees.

“It is evident that the pressure on those who make any sort of stand for liberty is heavier to-day than at any time, but the work of destruction has been so successful that to-day the Fascist leaders in Italy are content to kick the wounded remains of the old order without attracting more notice than can be avoided, while putting forth every effort to clothe their spoil with the semblance of a genuine Movement with the intention of holding it up to the world as a respectable member of the International Co-operative Family.”

FINANCE.

The International Co-operative Alliance is in the happy position of presenting to the Stockholm Congress the largest and most favourable financial statement since its foundation. In our last report we deplored the loss due to depreciation in the currency of many lands owing to the war. It was estimated that the loss from that cause alone had amounted to at least £7,000. A Special Appeal to all countries had produced a total of £626, and the outlook with regard to many countries was not very favourable, while the new scale of subscriptions adopted at Basle had only realised a slight improvement. For the year 1924 it was anticipated that it would realise a total of £3,000. As a matter of fact, the total from subscriptions that year amounted

to £4,927 3s. 8d. The German Central Union, which was the first to restore its subscription to the normal after the stabilisation of its currency, was responsible, with the Ukraine, for a substantial portion of that increase.

To-day we have to acknowledge that the appeal made in our last report has succeeded upon our expectations. It will be seen on a reference to the Balance Sheets (Appendix III.) that the balance in hand at the end of 1926 was £6,277, which had accumulated in three successive leaps since 1924. An examination of the figures shows that the total of the subscriptions for each of the three years is practically the same; if anything, the total for 1926 is a little less, but as there is a certain amount of overlapping in the payments the three years may be taken as equal.

If we compare the three years under review with those reported on at Ghent, we find that there has been, over the whole period, an increase in subscriptions of about £5,000, attributable to increased subscriptions of old members—£4,889 (of which the Ukraine contributed £2,000, Germany £1,000, Great Britain £600, Russia £500, Hungary £130, and Austria £116, the balance being distributed between eight other countries)—subscriptions of new members since Ghent, £382. On the other hand, reduced subscriptions were received from Finland, Holland, and Italy—in the latter case owing to suppression of the Organisations—amounting in round figures to £150.

It will be recognised that this rather sudden accession of income has arrived opportunely. This year the Alliance has undertaken its greatest Congress Programme, and the general costs of the meetings at Stockholm will be heavy. Nevertheless, there will still be a substantial margin at liberty to make much-needed developments in the work of the Alliance.

Suggestions are being made to the members of the Alliance and to the Congress with the object of placing the members on a more equal footing in respect of contributions and also to augment the income of the I.C.A. It is quite possible, while continuing the financial economies which we have practised until now, to dispose of a much greater income in the interest of the work to which we have set our hands.

PUBLICATIONS.

The publications of the Alliance have not yet taken on that expansion which is so eminently desirable and necessary for the fulfilment of its aims, but the way is now clearer than it has yet been for making some advance.

The publications since the Ghent Congress have been confined to the Congress Report, the "Bulletin," the Directory of the

International Co-operative Press, Manifestos for the International Co-operative Day, and a Pamphlet on the History, Aims, and Principles of the Alliance. Other pamphlets are in preparation, and we hope to find means of developing the output of co-operative literature in the near future.

It will be remembered that, in order to relieve the funds of the I.C.A., the financial responsibility for the printing and issue of the "Bulletin" in its three editions was undertaken by the countries chiefly concerned with the respective editions, that is to say, the British Union, the German Central Union, and, for the French edition, the French, Belgian, and Swiss Unions. That arrangement operated from 1922 to 1925 with considerable advantage to the Alliance, although resulting in some loss to the Unions which had accepted the financial responsibility. At the end of 1925 it was decided that the improvement in the income of the Alliance justified the resumption of its responsibility and the consequent relief to those Unions which had borne the loss for four years.

For the year 1926 the results show a slight profit on the aggregate of the three editions, which, however, is assured by the receipts from the five-line advertisements of the National Unions. The time is more than ripe for some extension of the "Bulletin," and we hope that the improved resources will make that possible in the near future.

With regard to other publications, the Executive has appointed a special Sub-Committee charged with the task of deciding the character of the developments most desirable, and that Sub-Committee is at present engaged upon plans for the future.

The International Directory of the Co-operative Press shows the remarkable advance which the Movement in nearly every country has made in the publication of its own journals. During the last ten years the number of independent journals, leaving out of account localised editions of a national magazine, has been trebled. Including localised editions, the Movements associated in the I.C.A. now regularly issue 1,000 journals, of which 17 are quarterly, 779 monthly, 89 fortnightly, 57 weekly, and four daily. The total circulation of these journals is approximately 6,000,000. In comparison with 1909, the last previous year for which we have accurate records, the advance is from 146 to 1,000 journals. Of the former number only 40 are still in existence. No less than 42 journals established in the 19th century still survive, and of this number four were founded more than 50 years ago. Great Britain and Germany share the honour of these in the "Blatter für Genossenschaftswesen," Berlin, 1854; "Radcliffe and Pilkington Co-operative Review," Lancashire, 1860; "The Co-operative News," Manchester, 1870;

and "Deutsche landwirtschaftliche Genossenschaftspressen," Berlin, 1874. The two countries which appear to be alone in attempting the issue of a Daily Co-operative Journal are Switzerland and Russia.

The Pamphlet recently issued on "The International Co-operative Alliance, Its History, Aims, Constitution, and Government," has had a good circulation, and is about to be translated into Spanish, for which—as for the translation into other languages—facilities are being provided by the I.C.A. Other pamphlets are in preparation for early publication.

THE INTERNATIONAL CO-OPERATIVE DAY.

The Fifth Celebration of the International Co-operative Day will take place this year on Saturday, 2nd July, and it is confidently expected that the manifestations in many countries will easily surpass all previous performances.

Each year this Festival has increased in importance. Each year the enthusiasm for it has been sensibly augmented. Its establishment as a living link between the Movements and peoples of different lands is *un fait accompli*. The spirit of fraternity and fellowship which it evokes runs like a live wire throughout the civilised world, and wherever Co-operators are gathered together on that day there is a consciousness of the unity that binds them with their fellows in the ends of the earth. It would not be easy to exaggerate the influence of this simple Festival on the progress of international understanding. At the centre we receive clear impressions and happy shocks from very many lands during the preparations for, and celebration of, the Co-operators' Day. Nation vies with nation and race with race in their homage to the persons and work of the Rochdale Pioneers. but it is often with a solemnity which is characteristic of obeisance before a great model or example. With the celebration of "The Day" there is perfect freedom and a joyousness of intercourse which not only marks the simple unity of outlook, the innocent standard of enjoyment, but also the common human aim and purpose of the great community of Co-operators throughout the world.

Each year the Alliance has issued to all its members a Manifesto in which it has endeavoured to sound a call to the world to advance upon the outposts of individualism and to make an united effort to scale the heights of the co-operative ideal.

Every sort of artistic and useful expression has been given to the celebration of "The Day." Art, music, the stage, the pulpit, the class-room, the tribune, the press, wireless, and brazen instruments, vocal and cinematograph entertainments, have all combined in our world propaganda with lasting results.

There is a serious side to the manifestations which expresses itself in the extended borders of the Movement and access of enthusiasm for the cause.

THE FLAG.—Linked with the Festival are the colours of the I.C.A., now firmly established in the reproduction of the colours of the rainbow. Here, as in so many ways, while preserving the essential plan, national characteristics are displayed in the variety of forms and shades in which the Alliance Flag appears. It is produced in every kind of fabric and material, in all sorts of shapes and sizes, but the harmony it expresses is, if anything, accentuated by the almost jazz-like variety of its reproductions.

It may be well to note here that it has long since been decided that the official design for the Flag of the Alliance is the seven colours of the spectrum arranged in horizontal stripes of equal proportion and in their recognised order.

Very large numbers of small coloured emblems have been supplied direct to the National Unions from the Office of the I.C.A. They are of excellent finish and colouring, and bear the inscription in the language of the respective countries, without regard to the official limitations in that respect of the I.C.A. We would willingly undertake the production of larger and more permanent examples if only the artistic perceptions of the different races would unite in the adoption of an universal pattern.

INTERNATIONAL SUMMER SCHOOLS.

The organisation of the International Holiday Courses of Study in Co-operation was commenced in 1921 by the Education Department of the British Co-operative Union, when the first School was held at Basle, followed by Brussels in 1922, Paris in 1923, Ghent in 1924, Elsinore in 1925, and Manchester in 1926. The work from the beginning has received the hearty collaboration of the I.C.A. with a view to its continuance on entirely international lines when the resources of the Alliance became equal to the requirements. At the meeting of the Executive held at Frankfort in January, 1925, it was agreed in principle to the appointment of a Joint Committee to organise future Schools, and the General Secretary was appointed to act for the Alliance.

The 1926 School, held at Manchester, was the first organised under the joint auspices, half of the lecturers being chosen from the Executive of the Alliance. Quite a representative assembly of students sustained a fortnight's course of study with good results.

The Seventh International Summer School will be held at Stockholm during the week previous to the Congress, and two representatives of the Kooperativa Förbundet have been added to the Joint Committee of Organisation. There is every reason

to believe that the attendance at the Stockholm School will constitute a record. Scandinavian students are being specially catered for in the programme; lectures will be provided in Norse languages, and the international character of the School will be fully maintained.

It is intended to develop the organisation along the present lines with the hope of enlisting the practical help and sympathy of all the countries in the I.C.A. by the simple expedient of providing educational fare suited to their co-operative needs.

RELATIONS WITH OTHER INTERNATIONAL BODIES.

THE INTERNATIONAL LABOUR OFFICE.—The relations of the I.C.A. with the I.L.O., and especially with its Co-operative Section, remain of the closest and most friendly character. Several opportunities for collaboration in various enquiries undertaken by the Geneva Organisation have arisen since the Ghent Congress, and have been cordially entered into with useful and, we hope, mutually beneficial results. We may note especially an enquiry into the Relations between Agricultural and Distributive Co-operation undertaken by the I.L.O. and the International Institute of Agriculture at Rome, and the valuable aid of our distinguished colleague, Albert Thomas, in our endeavours to assist the Italian Co-operative Movement.

The preparation of data for the International Economic Conference was a task of considerable magnitude undertaken by the I.L.O., and towards the consummation of which not only the I.C.A. but the National Unions and Federations in its membership made a substantial contribution.

The stream of publications which steadily flows from the office at Geneva conveys much useful information about the Co-operative Movement of the world, all the more useful because it is frequently derived from sources and institutions outside the membership of the I.C.A.

Good relations and cordial collaboration with the I.L.O. constitute an asset for the I.C.A.

THE LEAGUE OF NATIONS has not the same facility in its constitution for direct relations with the I.C.A. It is, by reason of its basis in the Peace Treaty, excluded from relations with Organisations such as ours, and is, in fact, confined to the Governments of the various countries.

We have, however, noted elsewhere in this Report the very satisfactory advance which has just been made by the inclusion of the I.C.A. amongst the Organisations invited by the Council of the League to appoint a member of the International Economic Conference. It is hoped that this step will have been fully justified in the event, and that further opportunities may arise

for the Alliance to take its place as a World Economic Organisation making for progress amongst the greatest international forces of to-day.

THE INTERNATIONAL FEDERATIONS OF TRADE UNIONS.—The nature of the relations to be established with the I.F.T.U. were defined in a resolution of the Ghent Congress which—while approving the action of the Central Committee and the Executive in seeking to give effect to the resolution of the Basle Congress by establishing relations which would facilitate united action on purely economic questions of common interest, and deciding in the interests of the Neutrality of the I.C.A. to adjourn the consideration of organic joint relations—declared that “the Congress approves the continuance of joint action with International Federations of Trade Unions in such specific matters as may arise from time to time, and subject to each question being previously submitted to and approved by the Central Committee of the I.C.A.”

To give effect to the resolution of the Congress it was decided to forward the text officially to the International Organisations concerned; and also to write to all the National Organisations members of the I.C.A. asking whether, in view of this decision of the Congress, they had any suggestions to offer of subjects suitable for joint action or propaganda with the International Federations of Trade Unions. Very few replies were received and none offering any specific proposals. There has, therefore, been no active relationship between these bodies since the Ghent Congress.

The question of the principles on which any active collaboration should be based was the subject of a special memorandum presented to the Central Committee at Paris in 1925 in connection with the memorandum on Neutrality. A summary of the conclusions is included in the Section of this Report on “The Neutrality of the I.C.A.”

INTERNATIONAL CO-OPERATIVE TRADING.

REPORT OF THE INTERNATIONAL CO-OPERATIVE WHOLESALE SOCIETY.

In fulfilment of the decision taken by the Full Committee of the International Co-operative Wholesale Society at Prague in March, 1924, to establish a Union of Wholesale Co-operative Societies, to be called the International Co-operative Wholesale Society, an official Memorandum of Agreement in printed form was prepared and sent out to each member; 26 National Wholesale Societies returned this signed and bearing the Society's official seal. These were counter-signed by the President and Secretary at the meeting held at Ghent in September, 1924, and thus the memorable International Co-operative Exhibition at Ghent witnessed the actual founding of an International Co-operative Wholesale Society.

The Executive Committee was then composed of the following :—

Mr. A. W. Golightly	England.
Mr. R. Stewart.....	Scotland.
Mr. V. Serwy	Belgium
Mr. A. J. Cleuet	France
Mr. H. Petzold	Germany
Mr. A. Kissin.....	Russia.
Dr. A. Suter	Switzerland.
Mr. A. Johansson.....	Sweden.
Mr. G. J. D. C. Goedhart	Holland.

Since the International Congress at Ghent the following meetings have been held :—

Executive Committee	2nd Feb., 1925.....	Frankfurt.
Executive Committee	25th June, 1925.....	Stockholm
Executive Committee	5th Oct., 1925.....	Paris.
Full Committee	6th Oct., 1925.....	Paris.
Executive Committee	1st Feb., 1926	The Hague.
Executive Committee	15th Oct., 1926.....	Hamburg.
Full Committee	16th Oct., 1926.....	Hamburg.
Executive Committee	12th Feb., 1927	Strasbourg.
Executive Committee	27th April, 1927	Brussels.
Full Committee	28th April, 1927	Brussels.

Whilst the I.C.W.S. has at all times up to the present worked for the development of inter-exchange between National Co-operative Wholesale Societies of those commodities manufactured by, or of a national character and handled by, the National Wholesale Societies, it has been recognised that the National Wholesale Societies represent principally a buying centre of Consumers' Co-operative Societies, and, as will be apparent from the following tables, colonial goods—butter, wheat, bacon, etc.—form an important share of their imports from Overseas.

PURCHASES FROM ABROAD BY MEMBERS OF THE I.C.W.S.

	1924.	1925.	1926.
	£	£	£
England	30,012,304	28,252,961	30,926,767
Scotland.....	2,631,953	2,733,215	2,533,577
Germany	2,242,928	2,705,871	3,750,521
Switzerland	1,141,564	805,053	939,036
Czecho-Slovakia	1,181,777	1,023,955	642,762
Sweden.....	1,021,196	1,269,128	1,030,380
Finland	940,516	1,224,866	895,964
Austria	595,773	307,574*	626,280
France	425,100	348,500	136,600
Latvia	206,858	169,976	263,360
Poland	84,327	110,734	97,548
Belgium	85,853	114,426	69,437
Holland	80,086	48,062*	73,736
Norway	51,951	213,799	279,898
Estonia	—	137,893	123,173
Russia	—	811,648	3,139,323
Ukraine	—	156,218	247,972
Bulgaria	—	—	11,535
	<u>£40,700,186</u>	<u>£40,433,879</u>	<u>£45,789,869</u>

* Figures for three months only available.

The slight decrease for 1925 is explained by the fact that the value of the imports for England shows a diminution. This does not, perhaps, represent an actual reduction in the volume of trade, but is due rather to falling prices.

	CLASSIFICATION OF GOODS.					Total. £
	1. £	2. £	3. £	4. £	5. £	
Europe	2,773,772	10,466,447	2,245,055	2,632,776	749,293	18,867,343
America ...	7,027,739	5,294,986	2,653,907	206,848	538,890	15,722,370
Africa	117,807	314,366	859,569	4,503	10,976	1,307,221
Asia	369,568	278,705	7,121,532	59,510	63,937	7,893,252
Australia ...	649,929	1,231,161	108,191	4,304	6,098	1,999,683
	£10,938,815	£17,585,665	£12,083,254	£2,007,941	£1,369,194	£45,789,869

1. Cereals, Sugar, Grain Products, Peas, Seeds, Beans.
2. Animal Fats and Meats, Dairy Produce, Vegetable and Mineral Oils.
3. Colonial and Tropical Products, Fruits (Green and Tinned), Fish (Fresh and Tinned), Nuts, Perfumes.
4. Textiles and Manufactured Goods.
5. Timber, Minerals, Chemicals, Fibres.

	PURCHASES OF MAIN ARTICLES.		
	1924. £	1925. £	1926. £
Butter	6,879,247	4,735,033	7,009,587
Wheat	8,428,469	8,287,513	7,052,828
Bacon and Lard ...	5,389,331	5,755,770	3,958,407
Tea	5,073,128	3,698,790	5,997,409
Sugar	1,782,911	1,438,155	1,429,065
Coffee	1,081,137	1,036,280	1,508,906
Rice	501,160	637,109	986,319
	£28,935,383	£25,588,650	£27,942,521

The production of these being almost exclusively in the hands of private shippers and exporters, it was considered desirable to examine the possibilities of National Wholesale Societies grouping their purchases for the purpose of obtaining the obvious advantage of increased purchasing power, and the possibilities of establishing direct touch with the exporter.

The Committee has constantly envisaged the actual handling of International Co-operative Trade, and, after repeated examination of prevailing conditions and markets—conditions which were constantly changing owing to the vicissitudes of depreciated and fluctuating currencies, etc.—it was at last possible to make proposals at the Ghent meeting for the consideration of the joint purchase of those articles in which the Wholesale Societies had common interest. Consequently, a special meeting of members of the Executive Committee and Coffee Buyers of the Wholesale Societies was convened in conjunction with the Frankfurt meeting in February, 1925. The various representatives explained most instructively the views their respective Societies took of the proposals, the difficulties likely to be encountered, and one and all agreed to support any decision which might be taken.

Statistics which had been collected by the Secretariat of the I.C.W.S. showed that Coffee was the commodity most generally

imported by European Co-operative Wholesale Societies. Coffee, therefore, commended itself as the most suitable article to study for the purpose of joint buying by National Wholesale Societies. Closer examination proved, however, that whilst Coffee was in general demand, the buying was governed by national, and even local, taste, and, whilst all countries were buying Coffee, great diversity of taste necessitated the buying of different brands, qualities or marks.

For the purpose of this examination, a questionnaire was prepared and circulated to the national members, for the purpose of eliciting information regarding the commodities which they were purchasing from abroad, and also the method of buying, etc. Reports showed that the spot markets at the European ports of discharge were governed frequently by fluctuating rates of exchange, and there were times when spot prices were often lower than those quoted by shippers in the country of origin. By buying from the country of origin at shippers' prices, a National Wholesale Society would consequently take the risk of the market during time afloat. Therefore, it is often preferred to buy on the spot market and leave risks of markets and exchange to speculators. The Executive Committee have compiled precise documentation regarding co-operative purchasing from abroad, and the whole question is engaging their serious consideration.

Although the I.C.W.S. as yet exists only in documentation and deliberation, it is still continuing to do a useful work by making known National Societies' requirements and capacity for export trade.

Each National Society knows its own possibilities best and, in conjunction with the foregoing information, will be able to judge to what extent it is able to effect international trade between the various Co-operative Wholesale Societies.

The international knowledge and experience gained enables the members of the I.C.W.S. to appreciate the adverse forces which have restrained and guided the operations of the constituent Societies.

It is, however, hoped that improved conditions will obtain in the future, and that speculation, which is contrary to the accepted tenets of Co-operation, will not play so large a part in International Trade as has hitherto been the case.

Since our last Congress, Sir Thomas Broderick (England), Secretary, and Mr. H. Petzold (Germany) member of the Executive Committee, have passed away; and Mr. G. J. D. C. Goedhart (Holland) and Mr. V. Serwy (Belgium), members of the Executive have retired. We wish to place on record our very great appreciation of the services rendered by these very respected members of the Executive for their valuable assistance in creating and furthering our International Organisation.

Mr. Goedhart and Mr. Serwy have been replaced by Mr. Mirrer and Mr. Chevremont, and the place vacated by Mr. Petzold has been filled by Mr. Everling.

A. W. GOLIGHTLY, President.

R. F. LANCASTER, Secretary.

INTERNATIONAL CO-OPERATIVE BANKING.

At the Conference held at Ghent during the Congress of representatives of the Co-operative Banks associated with the International Banking Committee resolutions were passed which were duly recorded in the Ghent Congress proceedings. The following text, however, was referred to the Executive for examination and decision as to its compliance with the constitutional principles of the I.C.A. and the desirability of its operation :—

“The International Banking Conference held at Ghent proposes to admit also such Organisations as are not strictly co-operative, provided that they serve the co-operative cause, and even if they are not members of the International Co-operative Alliance.”

The Executive at Frankfort discussed the question in all its bearings, and decided that the resolution did not altogether comply with the principles laid down in the Statutes of the I.C.A., and that it was not desirable to put it into operation.

At the meeting at Stockholm, five months later, the question was again raised by the Banking Committee, who, anxious to arrive at a common understanding with the I.C.A. as to the conditions of participation in its work, and also of enlarging as much as possible the area of its activities, submitted a new text for the approval of the Executive as follows :—

“In order not to hinder the International Banking Committee in its work of grouping all Co-operative Banks desirous of co-ordinating their efforts and of establishing relations between them, and in order that its action may conform to the resolution passed at the meeting of the Executive Committee of the International Co-operative Alliance at Frankfort, the Secretariat of the International Banking Committee will supply the Secretariat of the Alliance with all the information which it is able to obtain regarding Banks wishing to join the Committee, so that the Secretariat of the Alliance may advise as to whether these Banks are eligible to become members of the International Co-operative Alliance.

“The Secretariat of the Banking Committee will invite all Banks wishing to join the Banking Committee to become members of the International Co-operative Alliance.

“The Secretariat of the I.C.A. will follow a similar course with the same object in view.

“The Executive Committee of the International Co-operative Alliance authorises the General Secretary to reply in its name to all requests formulated by the International Banking Committee, in order to determine whether the constitution and rules of Banks desirous of collaboration with the International Banking Committee render them eligible on application for membership of the International Co-operative Alliance.”

This resolution was adopted with the addition of the words “subject to the condition that the Central Co-operative Organisation, member of the Alliance in the country concerned, approves of the application.”

The foregoing statement shows the only specific matter in connection with International Co-operative Banking that has been discussed by the Executive of the I.C.A. since the Ghent Congress.

Reports of the progress of the work of the Committee have been submitted each year and summaries published in the “Bulletin.”

It may be noted with satisfaction that the English C.W.S. Bank and the German C.W.S. Bank have, during the past year, been more closely identified with this study, and have now their representatives on the Banking Committee.

REPORT OF THE INTERNATIONAL CO-OPERATIVE BANKING COMMITTEE.

The International Congress at Ghent was the occasion of a most important Conference on International Co-operative Banking. Since the Basle Congress closer relations between Banks, the circulation of documents, and the study of international banking matters had all marked the progress made by the International Banking Committee.

Thirteen nations were represented at Ghent—Germany, Austria, Belgium, Bulgaria, France, Hungary, Italy, Latvia, Roumania, Switzerland, Czecho-Slovakia, Ukraine, the U.S.S.R. Several important resolutions were adopted at that Conference, and recommendations were sent out to various Banks.

In the first place, an official invitation was addressed to the British and German Wholesale Societies, to the Co-operative and Trade Union Banks of the United States, and to the Co-operative Bank of Denmark to participate in the work of the Committee, and to help in the formation of an International Co-operative Banking Organisation for the working classes and peasants.

This resolution did not remain ineffective, at least as regards the first two Organisations. We shall see later on in this Report that we have had the great pleasure of admitting the British and German Wholesale Societies to membership of the

Committee. By their imposing figures, as well as by their tried methods, their traditional co-operative spirit and their experienced directors, we gain in these two new members the most effective collaborators and the assurance of our success.

The Bank of Denmark, owing to exceptional circumstances, could not immediately accept our invitation. We earnestly hope for the complete success of this new Organisation and cordially invite it, once the initial difficulties are overcome, to participate in our work.

As regards the American Banks, Credit Unions and Trade Union Banks, which have made tremendous progress in the methods peculiar to their country and their surroundings, we hope that, in spite of the distance which separates us, they will take part in our international activities. They are young organisations with which all Co-operative Banks could usefully co-operate, and they could learn from the experience of the older Co-operative Organisations many things which would help them along the co-operative path.

The Ghent Conference gave rise to a very important question of principle concerning the admission of Banks. It asked for authorisation to accept as members, not only Banks which are specifically co-operative, but also those which, although based juridically on other principles, yet serve the co-operative cause and have disinterested aims. The Conference had in view Agricultural, Trade Union, and Credit Banks, or Savings Banks. It is evident that this extension of our definition, while much to be desired from the practical point of view, necessitates much thought in order to avoid any deviation from our line of conduct. Farther on we shall see that this question has been settled, at least temporarily, by permitting the Secretariats of the Alliance and of the Banking Committee to use their own judgment in such cases, in order not to alienate any feelings of goodwill but, at the same time, to firmly maintain the principles which form the basis of our International Movement.

The Conference unanimously adopted an important recommendation which was addressed to all the National Organisations :—

“The International Co-operative Banking Committee invites the Co-operative Wholesale Societies to give preference to Co-operative Banks to effect payments in other countries.”

It goes without saying that, in the present state of International Co-operative Banking, this cannot be obligatory. Many difficulties stand in the way of the complete realisation of such a recommendation; the weakness of certain Organisations, insufficient technical machinery, legislative difficulties, the form of purchasing contracts, etc. It does not prevent the fact that,

if the Co-operative Organisations would, as far as possible, make their settlements through our Banks, the latter would gain thereby an important branch of work. But, on the other hand, it is the business of the International Banking Committee to organise itself in such a way as to meet the needs of co-operative commercial organisations. We shall see, farther on, how far, and by what means, the Committee hopes to arrive at this result, even before the constitution of an International Co-operative Bank.

The Executive Committee elected at Ghent consisted of the following members :—

- Mr. G. J. D. C. Goedhart, President of the I.C.A.
- Mr. H. J. May, General Secretary of the I.C.A.
- Mr. Gaston Lévy (France), to be Secretary of the International Banking Committee.
- Dr. Karl Renner (Austria).
- Mr. F. Degeyndt (Belgium).
- Mr. Terruzzi (Italy).
- Mr. D. Kutusov (U.S.S.R.).
- Dr. A. Suter (Switzerland).
- Mr. Karl Komeda (Czecho-Slovakia).

Dr. Renner accepted the position as delegate of the German-speaking countries until a representative of the German Co-operative Movement should be elected to the Executive Committee.

At Frankfort (February, 1925) the Executive decided that the documents received by the Secretariat should be circulated in the three official languages and presented in such a way as to form a permanent documentation. These documents became increasingly numerous and important. Without even waiting for requests for information from the Co-operative Banks, it became necessary to present them in such a way as to facilitate international relations by making Organisations known to each other.

The Secretariat regularly receives balance sheets drawn up, as far as possible, in accordance with a Model Balance Sheet designed to facilitate comparisons. They are re-copied in the currency of the country, with the equivalent values in dollars. The dollar has been chosen as being one of the most stable currencies. They are tabulated in the alphabetical order of the countries. Thus, as soon as a Bank wishes to enter into relations with another, it can immediately obtain that indispensable document—the balance sheet.

This is not all. Every year the terms of each Bank are communicated to the others with regard to the various operations which it can undertake on their behalf, as well as the tariff for

the Stock Exchange, the payment of bills, general payments, letters of credit, etc.

Lastly, the Secretariat has analysed a certain number of rules of Co-operative Banks, and has sent out this analysis to the Banks in the three languages.

At Stockholm (June, 1925) Mr. Terruzzi resigned from the Banking Committee. As his resignation was due to political reasons, we could not press him to remain, although the most cordial relations existed between Mr. Terruzzi and his colleagues.

At this meeting the International Co-operative Alliance and the Banking Committee definitely settled on the conditions of admittance to the Committee.

“In order not to hinder the International Banking Committee in its work of grouping all Co-operative Banks desirous of co-ordinating their efforts and of establishing relations between them, and in order that its actions may conform to the resolution passed at the meeting of the Executive Committee of the International Co-operative Alliance at Frankfurt, the Secretariat of the International Banking Committee will supply the Secretariat of the Alliance with all the information which it is able to obtain regarding Banks wishing to join the Committee, so that the Secretariat of the Alliance may advise as to whether these Banks are eligible to become members of the International Co-operative Alliance.

“The Secretariat of the Banking Committee will invite all Banks wishing to join the Banking Committee to become members of the International Co-operative Alliance.

“The Secretariat of the I.C.A. will follow a similar course with the same object in view.

“The Executive Committee of the International Co-operative Alliance authorises the General Secretary to reply in its name to all requests formulated by the International Banking Committee, in order to determine whether the constitution and rules of Banks desirous of collaboration with the International Banking Committee render them eligible on application for membership of the International Co-operative Alliance, subject to the condition that the Central Co-operative Organisation member of the Alliance in the country concerned, approves of the application.”

Two very important questions were proposed for consideration and action by the Committee :—

1. To Mr. Komeda, Director of the General Co-operative Bank of Prague; an “Examination of Model Rules for Co-operative Banks with a view to unify or to centralise the various forms of Co-operative Banks in each country.”

2. To the Secretariat the "Progress of the Stability of the Exchanges."

The first question gave rise to several detailed questionnaires, which were addressed to all the Banks. The replies received were extremely interesting and were sent to Mr. Komeda. This international consultation enabled the reporter to give an interesting summary of the question, and at his request a statement of all the replies received was sent to the Banks.

The second question was of the greatest interest, because ever since the first report on the creation of an International Co-operative Bank all the members had been unanimous in declaring that the opportune moment for such a Bank would only come when the exchanges were stabilised. The progress made towards stabilisation in the form of annotated tables was subsequently shown at each meeting of the Committee, and this is still done. The most recent statement, with a summary of the preceding commentaries, is given in the pamphlet specially prepared for the Stockholm Congress. In this way it has been shown that there has been steady progress towards the stabilisation of the currencies of the world, and it is to be hoped that in the near future the opportunity may come for the formation of closer relations between the Banks. There are, however, still some countries economically and co-operatively important in which the currency still fluctuates, and in such conditions it would be premature to embark upon an international course of action which must be both considerable and unanimous from its beginning.

At Paris in October, 1925, we had the pleasure to record an increase in the number of nations represented—Austria, Belgium, Spain, France, Great Britain, Greece, Italy, Norway, Holland, Roumania, Switzerland, Czecho-Slovakia, Ukraine, the U.S.S.R.

An important event was the presence of delegates of the English C.W.S., as listeners only, it is true. Following the report of these delegates the English C.W.S. formally joined the Committee, and Mr. T. Goodwin was appointed a member of the Executive.

The Secretariat had drawn up a report on the position of the Co-operative Banks throughout the world. We give this report as it was presented, but the figures are those which we have obtained most recently. They then concerned 27 countries and 43 Banks, now they relate to 57 Banks in 29 countries :—

The information which we have received relates to 57 Co-operative Banks situated in 29 countries. It is very incomplete, even if one wishes to consider only the branch which seems to be, if not the most important, at least the most active—the Bank of Consumers' Co-operation.

In the first place particulars of several countries are lacking, while in nearly every country the amount of the deposits collected—either by the provincial Co-operative Banks or, above all, by the Distributive Co-operative Societies which have established for themselves Banks for the use of their members and which utilise these savings—is lacking. With regard to Consumers' Co-operation, it is certain that the missing figures represent at least the amount of the figures received.

Productive Co-operation receives few savings. It utilises either the funds of other Co-operative Banks, State loans, or loans from private Banks.

The Banking Movement of Agricultural Co-operation is extremely important, especially since the war. Nearly all the States, for various reasons, have encouraged agricultural credit by means of institutes provided with financial resources of governmental origin. These agricultural financial institutes have not only served to distribute the State loans, but have collected for themselves very considerable deposits which have increased the funds at their disposal. Certainly this is also a movement which, from a certain point of view, is co-operative. It helps agricultural production, encourages dealings in manure, machinery, property, "du remembrement," and thus contributes to the amelioration of the general conditions of life. Unfortunately, we have only received a few documents referring to these institutes, which, by reason of their origin and aims, feel little need of international relations.

The People's Banks, while not directly serving the consumer's interest, represent, if not in their aims at least in their methods, a form of the Co-operative Banking Movement. They are a reaction against the establishments of credit and in favour of provincial organisations, and against credit on material guarantees and in favour of personal credit.

The Raiffeisen Banks, the Mutual Credit Banks, are very numerous throughout the world and handle large amounts of capital.

The Savings' Banks are real Credit Co-operative Societies in countries where their administration is democratic and when they are not too restricted by regulations or too careful in their mode of action. They direct the savings too much towards the State Banks, but, amongst them, there is a fairly pronounced movement against this somewhat narrow conception of the utilisation of savings.

Trade Union Banks constitute in some countries an extended form of the Co-operative Bank. Generally they grant loans to Consumers' Co-operation or to Agricultural Co-operation. In the United States they have developed greatly owing to the general well-being and high wages.

As a matter of fact, our inquiry has scarcely given a result worthy of being considered as the figures for Consumers' Co-operation in Europe.

On the whole, the Banks which have replied to us have, as capital and reserves, a total of 135,150,360 dollars. They have collected 549,847,659 dollars in deposits on demand, on notice, current accounts, or bonds. Of these resources they have used 556,968,758 dollars in unsecured advances or discount on bills.

These imperfect figures show, however, the great importance of the Co-operative Bank.

If, amongst these Banks, one takes into account only those which specially support Consumers' Co-operation, the following figures are obtained :—

Capital and Reserves	74,682,122 dollars.
Deposits	267,685,185 ..
Utilisation	213,397,210 ..

Of these deposits, one-half (136,000,000 dollars) are in the C.W.S. Bank of Great Britain.

It will be seen at once that the deposits are guaranteed by a much greater proportion of capital than is the case in private Banks, or again that, from a solely financial point of view, the possibilities of security for deposits still remain considerable.

If we estimate the amount of the deposits collected in Provincial Banks and in Co-operative Societies at a figure equal to that which we have taken, which is probably below the truth, we arrive at the sum of about 500,000,000 dollars in deposits for Consumers' Co-operation in Europe.

The extent of the international business of the Co-operative Movement is shown in the figures given below, which have also been brought up to 1926, without, however, showing much change since the year 1924 :—

COUNTRY AND BANK.	DATE.	CAPITAL AND RESERVES.	DEPOSITS.	OVERDRAFTS AND TRADE BILLS.
GERMANY—				
G.E.G. Bank Abteilung...	31/12/26 ...	3,017,710 ...	5,731,747 ...	7,148,432
Bank der Arbeiter	31/12/26 ...	999,499 ...	8,599,798 ...	4 069 146
Deutsche Raiffeisenbank.	31/12/26 ...	6,210,642 ...	52,944,831 ...	52,081,774
Preussische Zentralgenossenschaftskasse	31/12/26 ...	16,994,702 ...	29,487,377 ...	128,781,030
AUSTRIA—				
Bank der Arbeiter	31/12/26 ...	2,102,032 ...	37,525,246 ...	32,832,381
BELGIUM—				
Comptoir de Depots et de Prets.	31/12/26 ...	25,018 ...	1,119,615 ...	640,828
Banque Belge du Travail	31/12/26 ...	582,009 ...	2,233,648 ...	2,071,949
BULGARIA—				
Napred	31/12/26 ...	77,318 ...	234,943 ...	178,830
Banque agricole	31/12/26 ...	2,680,934 ...	12,042,463 ...	13,711,137
Banque Centrale Co-operative.	31/12/25 ...	1,848,564 ...	19,891,151 ...	24,442,778
Union des Banques Populaires.	31/12/25 ...	653,494 ...	379,512 ...	4,677,448
DENMARK—				
Arbejdernes Landsbank .	31/12/26 ...	950,303 ...	5,967,689 ...	5,445,284
Nordisk Andelsforbund .	31/12/24 ...	179,652 ...	523,692 ...	415,543
Dansk Andels. og Folkebank.	31/12/25 ...	116,157 ...	282,515 ...	—

COUNTRY AND BANK.	DATE.	CAPITAL AND RESERVES.	DEPOSITS.	OVERDRAFTS AND TRADE BILLS.
SPAIN—				
Banco Cooperativo del Norte de Espana	31/12/26 ...	7,483 ...	39,169 ...	44,918
ESTONIA—				
Eesti Rahvapank	31/12/26 ...	39,164 ...	195,611 ...	748,952
U.S.A.—				
Brotherhood of Locomotive Engineers	23/1/26 ...	1,205,385 ...	27,113,506 ...	9,138,517
Federation Bank of New York	2/3/26 ...	1,674,497 ...	15,284,060 ...	10,861,722
FINLAND—				
Sparbankkernas Central Aktie Bank	31/12/26 ...	554,070 ...	3,145,229 ...	3,872,455
FRANCE—				
Banque des Coopératives de France	31/12/26 ...	254,477 ...	4,738,357 ...	4,735,796
Banque des Associations Ouvrières de production	31/12/26 ...	155,679 ...	337,501 ...	427,423
GREAT BRITAIN—				
C.W.S. Bank Department	25/12/26 ...	31,092,291* ...	136,148,293 ...	37,121,568
GREECE—				
Banque Centrale Agricole	31/12/24 ...	8,515 ...	32,726 ...	42,677
HUNGARY—				
Diligentia.....	31/12/26 ...	122,920 ...	695,201 ...	709,488
Hangya	31/12/26 ...	1,495,162 ...	1,051,357 ...	3,461,490
INDIA—				
Assam Provincial Co-operative Bank	30/6/25 ...	14,494 ...	44,934 ...	—
Bengal Provincial Co-operative Bank	31/12/25 ...	269,968 ...	2,674,298 ...	915,888
Bihar Orissa Provincial Co-operative Bank	31/12/26 ...	225,700 ...	1,647,883 ...	1,027,853
Bombay Provincial Co-operative Bank	31/3/25 ...	427,930 ...	2,677,951 ...	2,327,275
Burma Provincial Co-operative Bank	31/12/24 ...	520,266 ...	3,912,397 ...	3,750,988
Madras Provincial Co-operative Bank	30/6/26 ...	214,693 ...	562,051 ...	2,751,794
Mysore Provincial Co-operative Bank	30/6/25 ...	70,801 ...	189,987 ...	236,383
Punjab Provincial Co-operative Bank	31/8/25 ...	83,345 ...	69,575 ...	—
IRELAND—				
National Land Bank	31/12/25 ...	1,543,641 ...	7,605,764 ...	4,487,282
ITALY—				
Istituto Nazionale di Credito per la Cooperazione, Rome	31/12/23 ...	11,835,100 ...	2,662,711 ...	13,081,128
Institut de Crédit, Milan	28/2/27 ...	239,436 ...	394,786 ...	256,824
Banque Populaire de Novare	31/12/26 ...	5,169,474 ...	43,382,021 ...	28,470,313
Banque de l'Agriculture, Milan	28/2/27 ...	1,130,846 ...	4,791,299 ...	4,719,573
JAPAN—				
Banque Central des Societes Coopératives	31/3/26 ...	9,683,313 ...	638,625 ...	3,095,051
LATVIA—				
Latvijas Tautas Banka .	1/1/27 ...	143,016 ...	190,667 ...	361,236
Banque Coopérative de Transit	1/1/27 ...	438,496 ...	630,906 ...	1,765,511
LITHUANIA—				
Lietuvos Koperacijos Bankas	1/1/27 ...	48,906 ...	572,280 ...	459,533
NORWAY—				
Bondernes Bank	31/12/26 ...	2,997,113 ...	11,534,803 ...	8,969,048
PALESTINE—				
Workers' Bank, Tel-Aviv	31/12/26 ...	367,756 ...	126,386 ...	405,012
Central Bank of Co-operative Institutions, Jerusalem	31/12/26 ...	501,698 ...	113,775 ...	606,633

* Capital of the C.W.S. No separate capital for the Banking Department.

COUNTRY AND BANK.	DATE.	CAPITAL AND RESERVES.	DEPOSITS.	OVERDRAFTS AND TRADE BILLS.
HOLLAND— Boerenbank	31/12/24 ...	1,178,387 ...	17,395,028 ...	11,007,345
POLAND— Banque des Coopératives Warsaw	31/12/26 ...	312,250 ...	739,811 ...	578,051
Banque de l'Union, Poznan	31/12/26 ...	2,426,131 ...	5,628,089 ...	8,203,303
Caisse Centrale des Co- opératives Agricoles, Warsaw	31/12/26 ...	157,086 ...	87,528 ...	2,227,231
ROUMANIA— Centrale des Banques Populaires	31/12/25 ...	83,505 ...	4,823,283 ...	5,385,179
SWEDEN— Kooperativa Forbundet ..	31/12/24 ...	— ...	6,823,072 ...	6,823,072
SWITZERLAND— Union Suisse	31/12/26 ...	1,984,822* ...	7,288,311 ...	3,133,787
St. Gallen	31/12/26 ...	1,500,560 ...	6,143,565 ...	11,787,684
CZECHO-SLOVAKIA— Banque Générale	31/12/26 ...	215,841 ...	3,000,513 ...	2,778,698
U.S.S.R.— Vseobank	1/1/27 ...	11,477,076 ...	31,692,082 ...	50,719,725
Moscow Narodny Bank .	31/12/26 ...	3,809,015 ...	4,924,319 ...	9,487,321
Banque Cooperative de l'Ukraine	1/10/26 ...	2,940,009 ...	11,133,727 ...	22,425,493

The extent of the international business of the Co-operative Movement is shown in the figures given below, which have also been brought up to 1926, without, however, showing much change since the year 1924.

One must note the value of imports of the Co-operative Societies in 1926 as furnished by the Committee of the International C.W.S. :—

	£
England	30,462,408
Germany	3,750,521
Russia	3,139,323
Scotland	2,533,577
Sweden	1,030,380
Switzerland	939,036
Finland	895,964
Czecho-Slovakia	642,762
Austria	626,280
Norway	279,898
Latvia	263,360
Ukraine	247,972
France	136,600
Estonia	123,173
Poland	97,548
Holland	73,736
Belgium	69,437
Bulgaria	11,535
	<hr/>
	£45,323,510

* Capital of the Swiss Union. No separate capital for the Bank.

The sources of these imports, in pounds sterling, were distributed as follows :—

	£
Europe.....	18,717,343
America	15,542,370
Africa.....	1,307,221
Asia	7,826,893
Australia	1,929,683
	£45,323,510

To these figures should be added transactions, less important, it is true, concerning the private clientele of the Banks, direct purchases by Societies, and arbitration.

The discussions on these two items of information resulted in the following resolution :—

“The Conference notes with satisfaction the extent of the operations of the Co-operative Banks of the world, and in view of the actual importance of the international co-operative trade expresses the hope that closer relations may be developed between the Co-operative Banks.

“The Conference is of opinion that the information collected by this Committee under the title of ‘International Documents,’ by informing the Co-operative Banks, members of the Committee, on the importance and security of each Co-operative Bank, encourages the development of these relations, and it therefore recommends a continued effort in order that Co-operative Banks may be accepted as capable of effecting payments of purchases made by the Wholesale Societies.”

On the other hand, with regard to the stabilisation of the exchange, the following resolution was adopted :—

“The Conference notes with satisfaction the progress of the stabilisation of the international exchanges, but is of opinion that in a certain number of countries, with some reservations to be made for others which have established a measure of stability by artificial means, there are still too many important fluctuations in the currency to justify the creation of an International Co-operative Bank at the present time.

“The Conference is further of opinion that endeavours should be made with a view to making the existing Co-operative Banks better known, of following the movement of the stabilisation of exchange, and of preparing, by way of preliminary study, the constitution of an organisation which would be useful only if created at a favourable moment and if capable of assisting in the development of international relations.”

The Committee did not pass any resolution on the report of Mr. Komeda on the unification of the different kinds of Co-operative Banks. Each of them being enlightened by the documents the Committee preferred to leave each country the responsibility to determine its own policy according to the means at its disposal, while taking into account the experience of other countries. However, the general opinion which clearly emerges is that centralisation is both possible and desirable.

At the meeting at Paris Mr. Baccaglioni, of the Co-operative Institute of Credit at Rome, was appointed a member of the Executive in place of Mr. Terruzzi. Mr. Baccaglioni was not with us long, for at The Hague in February, 1926, he resigned for political reasons from the National Credit Institute at Rome, and therefore from the Banking Committee also.

On the other hand, Mr. T. Goodwin, representing Great Britain, took his seat for the first time officially at The Hague, and was warmly received by the Committee.

We were enabled to note the progress made by the Banks by a report on their turnover in 1925, which had been drawn up at the request of Mr. Degeyndt of Brussels. We have not, however, been able to bring these figures up to date.

At Antwerp in May, 1926, the Committee asked Mr. Goodwin to draw up a report on the immediate possibilities of centralising a certain number of international banking transactions.

The development of co-operative business and the existence of an extended network of Co-operative Banks throughout the world, enables one to contemplate an extension of business between the Banks. In order to facilitate this extension would it be possible, or desirable, pending the creation of an International Bank, to centralise certain international services? This is the question which Mr. Goodwin will investigate in his practical and careful manner with which we are familiar, and in the light of his large business experience. This report, the material for which will have to be collected, will be ready for the Conference at Stockholm.

At Hamburg, in October, 1926, the Committee received an invitation from the International Thrift Institute at Milan to participate in an International Thrift Day, but could not accept this invitation in the name of the I.C.A. It was agreed that the Banks should be free, individually, to take part in this manifestation.

At this meeting, the German C.W.S. having joined the Committee, the latter unanimously invited its representative, Mr. Berger, to take a seat on the Executive Committee.

Several important resolutions were passed by the conference at Hamburg :—

“The International Banking Conference invites the National Co-operative Banks to submit to the Secretariat of the International Banking Committee a list of their correspondents and those of the Wholesale Societies of their respective countries for every kind of operation and for each country with which they have relations. These lists will enable the Secretariat to assist the Co-operative Banks when seeking common correspondents in each country.

“That this Conference should send to the Conference of National Co-operative Wholesale Societies the request that they should take steps to secure that the various Wholesale Societies shall make it a condition for all their purchasers that payment be made through a Co-operative Bank.”

The first of these resolutions resulted in an important piece of work which will be continually brought up-to-date, namely, a list of the international correspondents of the Co-operative Banks.

The first list, which was submitted at Strasbourg in February, 1927, showed some interesting facts : by simply reading the list one sees the possibility (1) of increasing the business of the Co-operative Banks ; and (2) of choosing, where it is impossible to do otherwise, private correspondents common to Co-operative Banks and so affect the terms and tariffs.

This may be one of the earliest tasks of the Committee to be realised. It will demonstrate to ourselves and to other Banks the strength of our Movement, and each of our Banks will thus benefit by the international unity created by the Committee.

CONCLUSION.

The foregoing report, in spite of its conciseness, shows how many important matters there are for Co-operation to undertake, solely from the financial point of view.

The Committee has not hesitated to tackle them, first of all by systematic inquiries on balance sheets ; rules ; international business ; varying conditions ; exchange and international correspondents, the results of which are regularly communicated to all the Banks.

It next proposes to study important points which give rise either to definite resolutions or to the circulation of summaries of the result of inquiries.

Its aim is to bring the Co-operative Banks into closer relations which will make it possible to render them services of documentation and information, and will create a more intense current of business between them, including the consideration of international relations regarding banking solidarity.

Finally, it thus prepares step by step, first in spirit and then in fact, the moment when it will be possible to create an International Co-operative Banking Organisation capable of rendering important services. These services will be: possibilities of arbitration of the exchanges, correspondent accounts, international discount or re-investment outside Co-operation, financing of important international co-operative undertakings.

In this way, and parallel to the development and concentration of the whole International Co-operative Movement, the International Co-operative Bank will develop and extend.

The greater the number of the Banks grouped around the Banking Committee the more important will be the services rendered, first of all to themselves and then to the International Co-operative Alliance as a whole.

GASTON LEVY, Secretary.

INTERNATIONAL CO-OPERATIVE ASSURANCE.

REPORT OF THE INTERNATIONAL CO-OPERATIVE ASSURANCE COMMITTEE.

Three years have passed since the International Congress at Ghent, and the three questions discussed at the meeting of the Assurance Committee at that Congress are again placed on the Agenda for the meeting at Stockholm.

These are :—

1. Collective Life Assurance.
2. To determine what Societies are eligible for membership of the Assurance Committee.
3. Re-assurance against fire.

Perhaps we may be allowed to recall the meaning of this last question which forms the basis of our constitution.

Ever since the first meeting held at Rome on the 25th April, 1922, we have asserted that one of the practical undertakings to be attempted by our Organisation should be the constitution of an International Re-assurance Organisation to be formed between the Co-operative and Workers' Assurance Societies. In a word, we only follow the same idea as the Wholesale and Banking Committees.

We may add, for we have often emphasised this fact, that if it is justifiable for these two Organisations to concern themselves with international affairs, it is still more justifiable on the part of assurers, because re-assurance, which they are obliged to practise, is without question the most internationalised business.

Therefore, is it not entirely logical that, under the auspices of the International Co-operative Alliance, we should look forward to establishing relations between Co-operative and

Workers' Assurance Societies in the shape of an International Re-assurance Society formed amongst them ?

Of course, we do not minimise the difficulties to be overcome nor ignore how very unfavourable to its accomplishment were the years of financial instability through which we have just passed.

But we want to launch the idea, to discuss it, and then to have it admitted in principle in order to study its realisation.

It is not necessary to state that, although circumstances have been against us, we nevertheless believe that we can say that the idea is gaining ground, and that the Societies appear to be interested in the idea.

Although at first we found it difficult to obtain members for our Organisation for study and documentation, at the present time 20 Societies belonging to 17 countries send us official information.

These are :—

1. GERMANY.—Volksfürsorge—Société mixte d'Assurance des Syndicats et des Sociétés coopératives—An der Alster 58-59, Hamburg 5.
2. BULGARIA.—Société coopérative d'Assurance et d'Épargne des Fonctionnaires bulgares, Sofia.
3. DENMARK.—Andelsanstalten "Trig"—Coopérative d'Assurance sur la vie—Nøjbrohus, Ostergade 61, Copenhagen.
4. FINLAND.—Tulenturva—Société d'Assurance contre l'incendie—Vironkatu 5, Helsingfors.
5. FINLAND.—Kansa—Société d'Assurance sur la vie—Kirkkokatu 14, Helsingfors.
6. FRANCE.—Assurance Ouvrière contre l'incendie—Boulevard Beaumarchais 3, Paris.
7. GREAT BRITAIN.—Co-operative Insurance Society Limited, Corporation Street, Manchester.
8. HUNGARY.—Corvinia—Société d'Assurances Générales—Raköczy Ut 42, Budapest.
9. NORWAY.—Samvirke—Société Coopérative d'Assurance—Kirkegaten 4, Oslo.
10. HOLLAND.—Centrale Arbeiders—Société Centrale Ouvrière d'Assurances et de Dépôts—Rynstraat 24, The Hague.
11. ROUMANIA.—Vulturul (The Eagle)—Société Coopérative d'Assurance—Kichineff.
12. RUSSIA.—Union Centrale Panrusse des Coopératives de Consommation (Assurance Department of Centrosoyus), Moscow.
13. RUSSIA.—Union Panrusse des Sociétés d'Assurance, Moscow.

14. SWEDEN.—Folket—Société Coopérative d'Assurance sur la vie, Kungsgatan 5, Stockholm.
15. SWEDEN.—Samarbete—Société Coopérative d'Assurance incendie—Kungsgatan 5, Stockholm.
16. SWITZERLAND.—La Prévoyance Populaire Suisse—Coopérative d'Assurance sur la vie—Tellstrasse 58, Basle.
17. CZECHO - SLOVAKIA. — Cechoslovakia — Société Coopérative d'Assurance sur la vie—Krakovska 5, Prague II.
18. UKRAINE.—Koopstraque—The All-Ukrainian Co-operative Assurance Society—Pl.Teveleva 4, Charkow.
19. YUGO-SLAVIA.—Providnost—Société Coopérative d'Assurances vie populaire—Normale et incendie—Akademicki trg.br.12, Zagreb.
20. BELGIUM.—La Prévoyance Sociale—Société Coopérative d'Assurances (Vie-Incendie), Square de l'Aviation 31. Brussels.

Formerly we found it very difficult to obtain any information. To-day we are able to draw up a fairly detailed statement of the business of re-assurance against fire which has been done by our affiliated Societies, and of the results which have been obtained.

This will enable us to continue the consideration of the idea put forward by Mr. Ganef, of Sofia, with regard to the question of re-assurance. In his opinion, before considering the question of an International Re-assurance Organisation, it would be advisable to develop business relations between one Society and another.

At the present time four Societies belonging to our Committee do business with each other.

The statement which we have drawn up and which will be submitted at Stockholm at the meeting of the Committee will, perhaps, cause other Societies to follow their example.

The idea, therefore, is gaining ground, and we shall continue to spread it abroad in the hope of seeing it finally adopted by all our Societies. We are, moreover, of opinion that, with regard to this matter, it is best not to be too precipitate.

Side by side with this investigation other discussions have taken place at our meetings which have resulted in the preparation of reports which will also be submitted at Stockholm.

The meeting at Ghent succeeded in drawing the attention of the delegates to collective assurance as practised by certain Co-operative Assurance Societies.

Was it advisable that other Societies should adopt it ?

Was it, on the other hand, necessary to discourage it ?

These are questions which have led to much controversy. They interest not only Assurance Societies, but also Consumers' Co-operative Societies.

Mr. de Lième, an actuary, one of the original members of the Committee, was kind enough to undertake to investigate and find out what was done in this respect by other Societies.

He collected information and discussed the question at length at a meeting at Hamburg at which many of our Societies were represented. He then went to England to study on the spot with our English friends, the results of which he had been informed. The conclusions arrived at will be set out in a full report which will be distributed at the meeting at Stockholm.

Finally, in order to clearly determine what Societies were eligible for membership to our Organisation we wished to decide on the obligations which should bind them.

This question has already arisen for the Banking Committee, which gave the Assurance Committee the opportunity of viewing the question from two different standpoints.

We believe that the report on this question will also be distributed at Stockholm and will contain a resolution which will be accepted by all.

Since Ghent, therefore, the Committee, at its meetings at Paris, Antwerp, and Hamburg, has occupied itself in preparing the reports which will be submitted at Stockholm and has collected the documents which will accompany these reports.

But, apart from all that, the Secretariat has supplied information to Co-operative Organisations in Latvia, Italy, Austria, Roumania, the Ukraine, Spain, and Bessarabia, who wanted to know what was being done by our Organisations with regard to assurance in order to consider the constitution of similar organisations.

One Co-operative Assurance Society also applied to our Secretariat with a view to obtaining re-assurers amongst our affiliated Societies.

Owing to special circumstances we have not been able to arrive at a satisfactory result.

Another affiliated Society also sought to obtain financial accommodation through the intermediary of our organisation, which, unfortunately, in view of the present difficulties, we were not able to obtain from our members.

It would seem, therefore, that our Committee is now recognised as the Central Organisation, the connecting link, between Co-operative and Workers' Assurance Societies, and that the necessity for its constitution is no longer in dispute.

We hope that the future will show that its work will not be limited to the collection of information and documents but that it will be called upon to create sustained business relations between Societies.

We think, however, that if our Committee had definite financial resources, and if a linguist could be attached to the Secretariat with a knowledge of assurance questions, we should be able to supply each member with more complete information, and we should attempt to establish closer and, consequently, more profitable, relations between our Societies.

In our opinion, therefore, the Congress might usefully consider whether it would not be advisable to study the question of finance and to come to a decision within a given period.

Meanwhile, we express the hope (which we should like to see adopted by the meeting) that every Society will undertake to send regularly to the Secretariat a copy of its report, balance sheet, and profit and loss account, written in English, German, or French, in order to facilitate the work of the Secretariat.

JOSEPH LEMAIRE,
Secretary.

INTERNATIONAL CO-OPERATIVE WOMEN'S GUILD.

REPORT OF THE COMMITTEE.

PRESIDENT.—Frau Freundlich (Austria).

REPRESENTATIVE MEMBERS.—Frau Seidel (Austria); Mrs. Webster (England), Women's Co-operative Guild; Mdme. Heymann-Coulon (Belgium), Ligue des Coopératrices Belges; Miss Meyboom (Holland), Nederlandsche Coöperatieve Vrouwenbond; Mrs. McCoubrey (Ireland), Irish Women's Co-operative Guild; Mdme. Jouenne (France), L'Amitié Coopérative; Miss Callen (Scotland), Scottish Women's Co-operative Guild; Mrs. Kreutz (Norway), Norges Kooperative Kvindeforbund; Miss Jonson (Sweden), Kooperativ Kvinnogillesforbundet; Frau Hüni (Switzerland), Konsumgenossenschaftlicher Frauenbund der Schweiz.

CO-OPTED MEMBERS.—Mrs. Cheel (United States of America); Frau Greetz (Germany); Mrs. Butuzova (Union of Socialist Soviet Republics); Mrs. Shimura (Japan).

SECRETARY.—Miss A. Honora Enfield (England).

OFFICE.—38, Downshire Hill, Hampstead, London, N.W. 3.

It is significant that it should be through the Co-operative Movement that working women are first entering as an organised force into international life. The Co-operative Movement, so essentially international, and resting as it does on the purchasing power of the housewife, is the natural gateway from the home

into the life of nations, and it is not surprising that more and more as women win their freedom they should find in the service of Co-operation the field for new activities.

The three years since the formal foundation of the International Co-operative Women's Guild at Ghent have been years of unbroken progress. The affiliated National Guilds all record increases in their membership, branches, or activities. The need for organising the women of the Movement has come to be generally recognised, and on all sides fresh women's organisations are springing up or their foundations are being laid. The International Guild now has its own office, and has secured a recognised position among other International Organisations.

GENERAL DEVELOPMENT.

AFFILIATED GUILDS.—Reports from the affiliated Guilds all show satisfactory progress.

In Austria the Women's Organisation has increased its activities and is securing continually greater support from the Societies. In Vienna there are now four women members on the Board of Directors, four on the Supervisory Committee and large numbers on local Committees. The Styrian Society has decided that half its shop committees shall be composed of women. The chief campaign has been on the urgent tariff question.

The Belgian Guild now has well over 100 Branches and many women sit on Societies' Branch Committees. It has conducted campaigns on several important subjects such as the adulteration of milk, the sale of alcohol in private clubs, co-operative laundries and the regulation of the sale of butter and margarine.

The membership of the English Guild shows an increase of 5,790 since 1924, though both England and Scotland have suffered this year from the effects of the coal struggle. Four women now sit on the Central Board of the Co-operative Union, and one on the Board of the Co-operative Wholesale Society, while hundreds are members of Societies' Management and Education Committees. Amongst important campaigns have been those for a co-operative milk supply, increased sale of co-operative productions, and disarmament.

In Holland the membership of the Guild increased in a year by 20 per cent. There are now 18 Branches.

The Irish Guild has adopted new rules, and successful efforts have been made to open Branches in new areas, while in Belfast the Guild has taken an active part in pressing for various reforms affecting women.

The Norwegian Guild now has a membership of over 2,000 with 37 Branches, ten new ones having been opened during the

last year. The Guild aims at developing district organisation, and three districts have been established. Much propaganda work has been done by house-to-house canvassing, and special efforts have been made to strengthen the Movement's educational fund as well as to increase its communal capital and support for its own productions. In collaboration with the Union, the Guild has worked for legislative reforms necessary to Co-operation and for the introduction of Co-operation in the curriculum of the high schools. In its citizen work temperance questions have taken a leading place.

In Scotland the number of Branches is now 349 and the membership 26,353, an increase since 1924 of 42 Branches and 73 members, which but for the mining situation would have been greater. During the past year another Guildwoman has been elected President of her Society, and the representation of women in the Movement has again increased.

The Swedish Guild has increased its membership by 1,645, and now numbers 4,194; it has 122 Branches, 21 new ones having been formed in the last year. The Guild has taken an active part in the campaign to raise capital for breaking certain private monopolies, and has also been working for open membership in Societies.

In France and Switzerland good progress is being made, but no detailed reports have been received. The excellent little paper of the French Guild has been a great aid to its work.

OTHER COUNTRIES.—In the Movement of Czecho-Slovakia a Women's Organisation has been formed owing largely to the efforts of Mrs. Necáskova. A Conference is in preparation at the time of writing at which rules are to be adopted, and it is hoped as a result to welcome the Czech Guild very shortly as the eleventh member of the International Co-operative Women's Guild. The women of the German Czech Movement are also making rapid progress under the leadership of Frau Riedl.

In Germany the formation of local women's groups, initiated by the Cologne and Unterweser Societies, has made good progress, and we now have information of 27 Societies with active women's groups; a strong Women's Committee has been formed in Berlin, and well-attended women's meetings are now a regular feature of educational work. Frau Greetz, formerly woman organiser of the Unterweser Society, has been a consultative member of the International Committee for the last two years.

Although there is not as yet any definite organisation of co-operative women in the U.S.S.R., rapid progress in this direction is being made. In 1925 the Secretary of the International Guild visited the U.S.S.R., and was able to establish contact with several of the leading co-operative women and become practically

acquainted with women's work in the Soviet Union. Women members of Consumers' Societies now number 1,500,000, and in 1926 Mrs. Butuzova became the first woman member of the Board of "Centrosoyus." Special measures are being taken to draw women into the Movement, among the most successful being the establishment of "Mother and Child" corners in many of the Co-operative Stores. A difficult problem is presented by the women of the East, whose traditions forbid association with men, and special Stores, under women's committees, are being opened for them. An important Conference of women delegates and organisers was held in connection with the 1926 Congress of "Centrosoyus," at which methods and problems of organisation throughout the U.S.S.R. were reviewed, and practical recommendations made, which were eventually adopted by the whole Congress. Mrs. Butuzova was co-opted in 1926 as a consultative member of the International Committee.

In Poland a local Women's Guild has been formed in connection with the Lodz Society, and steps have been taken towards the formation of a women's organisation by the Ukrainian Union.

In Yugo-Slavia the Union Zveza Gospodarskih Zadrug of Ljubljani has been instrumental in starting the "Union of Working Women and Girls," an active educational organisation of women now numbering 1,500 members, within which co-operative groups are being formed, with the intention of developing ultimately a Co-operative Women's Guild. The Women's Union publishes a monthly paper, has done much propaganda for the Co-operative Movement, and taken up various citizen questions on behalf of working women, particularly those of children's homes, the protection of women and children, the legal rights of women, and international peace. Through this organisation, also, women are represented on Co-operative Societies' Management Committees. Three women sit on the Co-operative Council.

An organisation is in course of formation in Roumania under the auspices of the "Hangya" Union.

Correspondence has also taken place with Estonia and Latvia, in both of which countries progress towards a national organisation for women is being made; and with Portugal, where the Federacao Nacional das Cooperativas reports that they are working in this direction, and hope soon to complete statistics of the position of women in the Movement.

Outside Europe and the U.S.S.R. the greatest progress is to be recorded in Japan. The Kobe Guild, established in 1924 in connection with the Kobe Consumers' Society, organised an extremely successful Co-operative and Social Welfare Exhibition in 1925—the first of its kind in the country—which attracted many visitors and much interest. Women's Guilds have since

been formed at Tokyo and Otaru and are doing good educational work. Mrs. Shimura acts as consultative member for Japan on the International Committee.

In the United States of America satisfactory progress can be recorded, for though some of the Guilds have suffered considerably owing to the uncertain conditions in the mining districts, and the desired steps towards State and National Federation have, therefore, not been possible, new women's groups are forming which promise to grow into active Guilds.

The long depression in Canada, which has seriously affected the Co-operative Movement, has unfortunately led to several Guild Branches being closed, and the National Guild Federation has been in abeyance for the last year.

In Australia, New Zealand, and South Africa the Women's Guilds, like the Consumers' Movement generally, are having an uphill task. It has, however, been possible to keep up regular correspondence with them and to put several families emigrating from Europe into touch with Branches near their new homes.

Correspondence has also taken place with India, where a Women's Conference was held in 1925, but no regular contact with Indian co-operative women has yet been established.

DEVELOPMENTS IN AGRICULTURAL SOCIETIES.

An interesting development has been the beginnings of organisation among women connected with the Agricultural Co-operative Movement.

In the U.S.S.R. great efforts are being made to co-operatively organise the peasant women who play so large a part in dairy farming. A special women's department of "Selskosoyus" has been opened for this purpose under the leadership of Mrs. Kravchenko, who acts as correspondent with the International Guild.

In the U.S.A. Women's Auxiliaries have been formed in connection with the Farmers' Co-operative Societies, 16 having been organised in the State of Iowa alone, with the intention of studying and promoting both Consumers' and Agricultural Co-operation.

There are also several Women's Guilds in connection with the Japanese Agricultural Societies.

UNITY AMONG GUILDSWOMEN.

Common work unites, and the last three years have done much to strengthen the solidarity of co-operative women.

The Women's Notes in the "Bulletin" have proved a great help in keeping the Guilds in touch with one another's doings, and we again record our warm thanks for the space allotted to us.

Correspondence between Guild Branches and individual Guildswomen in different countries has been another means of keeping touch between the rank and file, and regular correspondence is now carried on between England and Australia, Canada, Belgium, France, Finland, Germany, South Africa, Rumania, the U.S.A., the U.S.S.R., and Yugo-Slavia, and between Scotland and Holland and Germany. In several cases the exchange of letters is conducted in Esperanto, and several new links with co-operative women still unorganised have been established in this way, while it has also been a means of interesting Esperantists in the Co-operative Movement. In accordance with the resolution passed at Ghent the Committee have given careful consideration to the question of an Esperanto news-sheet for Guildswomen. After examining various schemes, however, they have come to the conclusion that for financial reasons, and in view of its limited circulation, such a news-sheet is impracticable at the present time.

The study of some common problem to which each country can contribute its ideas and work out its solution in a practical campaign has also done much to reveal common interests, and each year a wider interest is shown in the "international subject." The question of "Labour Saving in the Home"—a question arising directly out of the need felt by all co-operative women for more time to devote to co-operative and public work—was keenly taken up, different countries turning their practical attention to different sides of the question. In Austria an important exhibition illustrating "The New Household" was organised, which attracted visitors from all over the country. In Belgium the Guild initiated a campaign for co-operative laundries and washhouses, which resulted in the appointment by the Movement of a special committee to investigate practical possibilities and the adoption of plans for a laundry by the Liège Society. In England the Guild took up the question of "Electricity in the Home," pressing for extended electrical facilities for the housewife and the stocking of electrical apparatus by Co-operative Societies.

A paper by the President on "Tariffs, Customs, and High Prices: What They Mean to the Co-operative Housewife." formed the common subject for 1925-26, while the past year has been devoted to a preliminary consideration of two questions for the International Conference, those of "Low Prices or High Dividends—Which do Co-operative Women Want?" and "The Family Wash: How Co-operative Societies and Municipalities Can Help." These subjects, in the form of questionnaires sent out by the International Committee, have been discussed in the four corners of the earth, and many letters from different countries, as well as the experiences and suggestions recorded

in the answers, express the interest aroused. It is hoped that practical campaigns based on the collective experience thus obtained will follow the discussions at Stockholm as part of next year's work.

EDUCATIONAL FACILITIES FOR WOMEN.

Following on the Ghent resolution, special attention has been given to women's place in the Co-operative Press, and the question of a Summer School for women. It is satisfactory to find that the space and attention given to women and women's interests in the Press is increasing. In Austria a women's number of the "Freie Genossenschaftler" now appears once a month, the sales of which amount to 70,000 copies, six Societies supplying it free to their members. The Swedish "Konsumentbladet" has a regular women's page; the German women of Czecho-Slovakia have a page largely devoted to women's questions in the "Familienblatt"; while women's interests command much space in the popular papers of the Czech and Swiss Unions.

The International Guild is participating in the International Press Exhibition, in connection with which a women's competition for a poster advertising the Co-operative Press has been organised.

Satisfactory arrangements have not yet been made as regards the International Summer School. It proved impossible to hold a School as originally intended at Vienna in 1925, and the attempt to arrange for the participation of the International Guild in the School organised by the Alliance and the British Union has not yet borne fruit. It is hoped, however, that in future years a recognised place in this School will be accorded to women.

PUBLIC ACTION.

INTERNATIONAL PEACE.—Among the objects of the International Guild laid down at Ghent, and warmly upheld in the discussion there, is the promotion of international peace, and every occasion has been taken to express the views of co-operative women on this matter.

When a crisis arose in Egypt in 1924, and an ultimatum was presented by the British Government, a resolution was passed by the Committee and forwarded to the League of Nations expressing the deep disappointment of co-operative women that one of the great Powers of the world should so far have overlooked the existence and purpose of the League as to resort to an ultimatum against another Power, and appealing to the League to find a way of overcoming technical obstacles to intervention and of helping to secure a just and honourable settlement of a question fraught with dangerous possibilities for the peace of the world.

Similar action was taken when the situation in China became serious early in the present year; a resolution passed by the Committee was sent to the League of Nations and to the Governments concerned, calling for the abandonment of the system of extra-territoriality and recognition of the new situation in China; expressing whole-hearted sympathy with the efforts to free China from foreign domination and capitalist exploitation, and concern at the display of force by foreign powers; and appealing to the League of Nations to use its powers of conciliation.

When the Preparatory Commission for the Disarmament Conference met in May, 1926, the Committee presented a Memorandum pointing out that under modern conditions the maintenance of armaments is not a safeguard but a danger, that there can be no security against modern war except in complete disarmament, and calling upon the Committee to give a courageous lead in this direction.

The International Guild was represented at the Paris Congress of the International Peace Bureau in 1925 by Mdme. Jouenne, and at the Geneva Conference in 1926 by the Secretary.

INTERNATIONAL ECONOMIC CONFERENCE.—The most important event of the period has been the appointment of the President to the Preparatory Committee of the International Economic Conference, which for the first time has given Co-operative Women a voice in the highest counsels of the world. It is gratifying that she also attended the Conference on behalf of her Government, and we record our satisfaction that the Austrian Government should have selected a co-operative woman as one of its official delegates.

INTERNATIONAL MIGRATION CONFERENCE.—The International Guild was represented by the Secretary at the World Migration Congress held in London in June, 1926. The many problems which migration raises for women were almost wholly omitted from the otherwise admirable report before the Conference, and as delegates from Organisations not affiliated to the convening bodies were not allowed the right to speak it was not possible to rectify the omission in the Conference itself. A memorandum on some of these points was, however, presented to the Conference, and developments are being watched.

OTHER PUBLIC ACTIVITIES.—Efforts were made in 1925 to secure representation for the International Guild, as being typically an organisation of mothers, on the Child Welfare Committee of the League of Nations, but, unfortunately, without success.

The great struggle in the British mining industry in 1926 brought suffering to thousands of co-operative women and their

children, and, as previously in the cases of the Russian famine and the Ruhr invasion, the Committee appealed to all affiliated Organisations to send what help they could. Many responded warmly, but as in several cases they acted in conjunction with other bodies in their country it is impossible to record the amount raised.

A resolution congratulating the Turkish women on their newly won freedom was passed by the Committee at its meeting in 1926.

PUBLICATIONS.

The following publications have been issued: "Low Prices or High Dividends," "The Family Wash," "Good Food and How to Get It," "The Mothers' International" (two Esperanto songs); while two co-operative plays for children have been written by Margaret Digby, one of which has been printed by the Unions in England and Austria.

MEETING OF THE COMMITTEE.

One meeting of the Committee has been held, which took place by the kind arrangement of the Netherlands Guild at The Hague in April, 1926. Members were present from Belgium, England, Holland, and Scotland, in addition to the President and Secretary. The future work of the Guild and arrangements for the Stockholm Conference were agreed upon.

FINANCE.

The finances have caused the Committee considerable anxiety. At the end of 1924 the Guild's resources were reduced to 7s. 9d., with a debt to pay and bills to meet at the end of the week! Untiring efforts on the part of the affiliated Organisations to raise money by the sale of badges and other special efforts, and several kind donations both from individuals and Co-operative Organisations, made it possible to surmount this crisis and to end the two succeeding years with a balance in hand, except for the badges' account. To meet the debt on the latter a loan from the Testimonial Fund was kindly made by Miss Llewelyn Davies, which will be paid off when sufficient receipts from the badges come in.

The need for a stable income, however, becomes greater with the development of the work. At its Congress in 1925, the English Guild decided to pay a levy of 1s. for each Branch, in addition to its subscription under the rules: this will be a valuable help when its full effects are realised, and is commended to the consideration of other affiliated Guilds. We desire to express our sincere thanks for the much appreciated help we have received during the period from the Unions of Austria, Belgium, Czecho-Slovakia (Ustredni svaz ceskoslovenskyeh

druzstev), Great Britain, Hungary (Általános Fogyasztási Szövetkezet), Japan, Norway, the U.S.A. and the Wholesale Societies of England and Holland, and to express the hope that our work may be worthy of their continued support.

To the International Co-operative Alliance we are indebted both for material assistance as regards our Conference, and for much other help and encouragement for which we cannot too warmly express our thanks.

EMMY FREUNDLICH, President.

A. HONORA ENFIELD, Secretary.

DECEASED MEMBERS.

The regrets of the I.C.A. for the loss of its active workers are so much the more profound as the Movement in which they have held a place partakes of the character of a family, each member of which has his or her niche in the economy and affections of the whole.

We are only able to give prominence here to those who have been directly associated in the work of the Alliance. There is, however, a large number of equally choice spirits and fellow workers in our Movement who have gone over to the great majority since our last Report. The sympathy and fellowship of those who remain goes out in fullness to the relatives and colleagues of the departed.

Since the last Congress the Alliance has lost the services by death of the following members of its Committees:—

Mr. Vladimir Selheim (Russia), Mr. Severin Jörgensen (Denmark), Mr. Romuald Mielczarski (Poland), Mr. H. Petzold (Germany), Mr. Andreas Gjorgy (Hungary), and Mr. Luigi Luzzatti (Italy).

We have also to record the death, in tragic circumstances, of Mr. Kiril G. Popoff, the Bulgarian Co-operative Representative at the International Economic Conference at Geneva. Mr. Popoff was taken ill in the hotel on his arrival, and succumbed to heart failure a few days later, without having attended a session of the Conference.

A brief notice of the career of each of these colleagues has been published in the "Bulletin."

The Congress will no doubt desire to record its appreciation of the great services to International Co-operation which have been rendered by this band of leaders.

On behalf of the Central Committee,

HENRY J. MAY,

General Secretary.

DISCUSSION ON THE REPORT.

The PRESIDENT briefly introduced the Report of the Central Committee on the work of the I.C.A. since the Ghent Congress, and submitted it for consideration section by section. No observations were offered until he had reached the section on "Communist Propaganda," when a Soviet delegate rose to speak. The President pointed out that in accordance with the Standing Order speakers would only be allowed five minutes, except those proposing resolutions or amendments, who would be allowed ten minutes. He then called upon Mr. A. Kissin.

COMMUNIST PROPAGANDA.

Mr. A. A. KISSIN (Russia): In this section of the Report the Societies of Soviet Russia are made responsible for the campaign of criticism against the activities of the Alliance, which is carried on by the opposition in the Co-operative Organisations of various countries. Material is utilised which, it is alleged, has been issued by the Russian representatives in the Alliance. To this accusation I have to make the following observations. We are of opinion that the activities of the Alliance, its Central Committee and various authorities, belong to the public. We are not in the Alliance to enforce our own will, but we are sent here by millions of organised workers and peasant co-operators. We receive our mandate from those who have sent us here, and we believe that we owe them an account of our work. Therefore, we say that we do not carry on Communist propaganda. Just as in the Societies of other countries, it is also our duty in our country to discuss economic questions in common; that is our work and not propaganda. I would like to repeat here what we said at the Ghent Congress and I want you to understand me correctly when we say that we do not carry on propaganda outside the boundaries of our own country. This idea does not enter our mind at all when we state our views in our Press, at International Congresses or in our international relations and try to enforce them in practice. I say again that we cannot renounce this right to carry on any kind of propaganda among the Co-operative Societies of foreign countries. Unfortunately, however, we have come to such a pass, that whenever we submit a proposition in the Alliance it is immediately branded as Communist propaganda. Take for example the question of giving help to workers who are engaged in a conflict; we follow the English Co-operative Movement with great interest, I myself was a guest at the British Congress in 1926 when I saw with pleasure the Congress unanimously decide to come to the assistance of the English strikers. If we submit such a proposal in the Alliance it is immediately stamped as Communist activity. If we make a proposal regarding Co-operative Societies or co-operative officials it is labelled Communist propaganda. I would like to draw attention to the fact that the English Co-operative Movement adopted at its last Congress a resolution in

which all co-operators are urged to protest and fight against a new law which infringes their rights.

Further, I wish to say that I submitted a motion to the Central Committee on the Sacco-Vanzetti question, but it was rejected and will not be submitted to the Congress. We ask that the Congress should voice its opinion on this question. Probably it will be said again that this is Communist propaganda. Excuse me if I say that this is not a matter for the Communist Party, it is a matter for the whole civilised world.

Mr. KREUTZ (Czecho-Slovakia): Our esteemed President, Mr. Poisson, in his speech this morning endorsed the principle that every delegate should be permitted to give free expression to his views. I think that we are not going wrong if we enlarge this a little and say, that in the Co-operative Movement throughout the world the right of the members must be safeguarded to express their opinions in their own organisations at home, both in regard to national and international questions. The previous speaker said that, nationally and internationally, this principle is unfortunately frequently infringed; that the right of freedom of speech and consequently also the right to carry on propaganda unhindered within the Co-operative Movement is only permitted to one Section and denied to another. I consider it inconsistent with the principles of the I.C.A. that whenever communist workers express their opinions on matters in general in the Co-operative Organisations of their own country or circle, these workers are immediately considered as elements hostile to the Co-operative Movement. The Communist Co-operative Societies are, in my opinion, excellent examples of the willingness of the Communist Co-operators for collaboration. No one, no matter what political opinion he may hold, can deny the great and rapid development of the Co-operative Movement of Soviet Russia. For this reason I consider it wrong that in every country where communist workers express their opinions, they are immediately declared the enemies of the Co-operative Movement. It is a principle—and the dominant aim—of the International Co-operative Alliance, a world organisation, to transform the capitalist profit-seeking system into a co-operative social order, in other words, into a socialist order of society. This is the aim of every communist worker. But the means which we propose differ from those which the co-operators of other political creeds advocate as the correct ones. We believe that if this aim, the elimination of the capitalist profit-seeking system of economy, which is the aim of the International Co-operative Alliance is to be achieved, we must be quite clear that it can only be realised if the whole working-class movement does away with those who, as the factors of power of the bourgeoisie in every part of the world, continually threaten the workers. This we cannot achieve by travelling along the smooth road of evolutionary development, but we must wring it from the possessing classes by fighting against them. For this

reason it must be conceded to communist members of the Co-operative Movement throughout the world that the opinions which they, as honourable citizens, consider to be right should be allowed to be freely, openly and honestly expressed, like those of members belonging to other political parties, and that they should not on every occasion be treated as the enemies of the Co-operative Movement.

Mr. H. LORENZ (Germany): The Report which is now under discussion contains the statement of a fact, and as such it is useless to go back upon it. It is a fact which was brought about by Mr. Khintchuk and he does not deny it. (Interruption.) Mr. Khintchuk has not denied it; you have only to read the Report. It is only here in the Conference—and that is the point—that it is permissible: the others here present hold that it is not permissible to communicate matters of a confidential character which are discussed at meetings or to make use of such information. This is the difference between our views. You think that what you hear in private meetings you can make use of outside for your own purposes. He who holds such views makes collaboration in an organisation which is based on Rules exceedingly difficult. You must accustom yourselves to that idea, or otherwise it is probable that collaboration will, by and by, become quite impossible. It is rather a remarkable statement which Mr. Kissin has made that the Russians do not carry on communist propaganda. I hope this will not make unpleasantness for him at home. They are here for the very purpose of making communist propaganda; wherever they are, wherever they go, sitting, sleeping or waking, they are bound to carry on communist propaganda. That is their duty as communists, and they may employ every means, not only Jesuitical, but also Leninistical. In this also we differ from each other, for we believe that among educated men this should not be done. The last speaker said that in the International Co-operative Alliance every communist who speaks is considered an enemy of co-operation. He has furnished proof of what he said, for he himself would be such an enemy to Co-operation. He was patiently listened to, because he spoke quietly and orderly. The point is, however, and it is useless to tell the Russians so again and again, that in all circumstances we will prevent the Co-operative Movement and the International Co-operative Alliance being misused for other purposes, such as those which the Russians have in view. We are assembled here, and in every Co-operative Society in all countries, in order to achieve co-operative objects. What the Russians want is to make use of Co-operative Societies for other ends and political purposes. We will fight against this with all our might. In Germany we are not so sensitive, we defend ourselves. There is no communist among the German delegation, which represents the views of the German Congress. There are no communists, because none are sent here, and our attitude is—

the Co-operative Society for co-operative purposes; political associations for political purposes; and trade union organisations for trade union purposes. If only the Russians could understand this, but I know they cannot—any more than a leopard can change his spots—and it cannot be expected of them. But do not let them exhaust our patience. The constant repetition of things which have been worn threadbare must cease. One more word! With regard to friends and enemies, I would say, God guard us from such friends of the Co-operative Movement, the real enemies we will soon settle.

The GENERAL SECRETARY: AS I am responsible for the text which is being criticised, both the main report and the report which is here quoted, it is perhaps not out of place that I should say a word in response to the criticisms that have been made. The Central Committee considered this report at Brussels a few months ago, and our friends from Russia then raised their protest against this paragraph, but the Central Committee confirmed it as a statement of facts. I might stop there and say that it is a simple statement of fact which is incontrovertible, but I suggest that Mr. Kissin in his remarks made to-day has only answered one half of the case. He says that we are not in the Alliance, in its Congress, its Central Committee or Executive in an individual capacity but in a representative one—that is perfectly true; that our proceedings are not a mystery—that is also true; that we are not above criticism and should not object to it—that is true also. The members of the Executive and the Central Committee of the Alliance do not hold themselves to be above criticism, but they do ask that the criticism should be fair criticism, should be honest criticism, and that it should tell the truth and the whole truth. And that is what this paragraph says it is not and does not do. I repeat that this has been accepted as incontrovertible, as a statement of the facts as they are. This is the paragraph in the report and I will read it for the benefit of the Congress:—

“For two or three years past the Alliance has been subject to attacks published in the journals of different countries. The information on which these attacks are based has obviously been furnished by Russian representatives in the Alliance; is sometimes, though rarely, attached to their names; and is most often found in Communist journals and information emanating from Moscow. Individual members of the Executive are the subject of attack for their views and votes at our meetings; Co-operative Societies are urged to call them to account for their action in the Alliance; alleged reports of our proceedings are handed out for publication containing garbled and inaccurate statements; little or no reference is made to our proper work; and the world is led to believe that certain propositions submitted by the Russian Organisations,

or in which they are specially interested, constituted the only business of the meetings of the Alliance in question."

That statement is perfectly true. There are two ways of making criticisms. Ways of making criticisms which are intended to lead to the conversion of those who are acting contrary to the views of the critics. There are criticisms which are designed to help forward the work of the Alliance and its principles and to help forward the economic developments for which the Alliance stands. These are not the kind of criticisms of which we complain, because they are entirely absent. What is complained of in these criticisms, are personal and violent attacks with many hard and untrue statements against the personal character and personal integrity of the members of the Committees of the Alliance and on subjects which have no real relation to our work. I do not want to go into the question of Communist propaganda. Mr. Lorenz has put the point of view before you, which I think is generally held by most members of the Central Committee. On the other hand, I would remind our friends from Russia that even they cannot say that there is any man in this Congress who has gone further than I, as Secretary of the Alliance, to promote their interests and the recognition and continuance of their Organisation in the Alliance. But we have been gradually worn down to the point when it is no longer possible to sustain without protest the continual dripping of criticism, and the introduction of politics and political questions, instead of economic and co-operative ones, into every meeting of the Alliance until the main and real work of the spread of Co-operation, which the Alliance is constituted to carry out, is hindered and menaced on every hand. That is the reason why these paragraphs have been put so plainly and objectively. Some of our English friends have heard of a place of which the half has never been told. That applies to this report, but in this case not the hundredth part has been told. There must be an end to these everlasting attacks upon our activities, upon our economic aims, upon the spirit of brotherhood and the ideals of the Alliance.

THE POLICY OF INTERNATIONAL CO-OPERATION.

The next section of the report of the Central Committee discussed by the Congress was that dealing with the policy of International Co-operation.

Mr. M. TENHUNEN (United States of America): "Co-operation knows no distinction of race, colour, or religion," is the basic principle of the Alliance. All class conscious workers share this principle. We believe co-operation must embrace all toilers regardless of their nationality or their political affiliations. The worker of a capitalist country, the Chinese coolie, the Communist, the Social Democrat, the worker with no political affiliations, all must find their place in the Co-operatives. Let us now consider the question of political neutrality. It is absolutely wrong to classify the principle of

political neutrality among those adopted by the Rochdale Pioneers. When the Rochdale Pioneers organised there were no principles of political neutrality established by them. Thus the principle of political neutrality has no sanctity as to its origin, as many co-operators believe who ascribe it to the Rochdale principles. The principle of political neutrality was established when the co-operatives had to carry on their struggle against small private traders, and to compete against them politics was unnecessary. Quite naturally the co-operatives were not interested in politics at that time. The situation now has radically changed. Syndicates and trusts monopolise production and fix both retail and wholesale prices. The cost of living is increased by taxation, customs tariffs and railroad tariffs. The struggle against the high cost of living now is a struggle against large combines of finance, capital and against the Government policies directed in the interests of capitalists, thus the struggle becomes a political struggle. The advocates of neutrality say that "the Co-operatives must be independent of any political parties." We recognise this principle considering that it is not at all in the interests of the broad co-operative masses to be subordinated to some political party, be it Social Democratic, Conservative, or any other party. But this means that the co-operatives must follow some kind of a "neutral policy," in other words, follow no policy. The experience of co-operative development in different countries shows that the co-relation of class forces compels the co-operatives to want to influence the policies of the ruling class and to assure themselves of the possibility of further development. The Co-operative League of America not only affirmed in its last Congress that the Co-operative Movement is primarily a Labour Movement, but has started a campaign against the Income Tax Law. Likewise in France and Germany co-operatives oppose excessive taxation and customs tariffs. The British co-operatives support the struggles of the Trade Unions against the reactionary Anti-Trade Union Law, for they understand this Tory offensive against Trade Unions will also affect the co-operatives. The British co-operators have their own political party. Thus they take part in Parliamentary Elections and their representatives are in the House of Commons. So closely allied are the British Labour Party and the Co-operatives that there now exists an official agreement between them. The co-operatives in Switzerland took part in the political struggle against the State monopoly of bread. The Workers' Co-operatives are affiliated to the Belgian Labour Party. Between the Co-operatives and the Austrian Social Democratic Party there are close organisational ties. The principle of neutrality in the national co-operative organisations now belongs to the realm of past history. Only the Alliance still clings to this principle, although even here the advocates of neutrality have to go against it.

Mr. P. J. RABINOVITCH (Russia): Mr. May has stated that the economic work of the Central Committee was hindered by the

Russians. We think the fact that very little work—especially economic work—was done by the Central Committee is hardly due to the Russians at all. We certainly do not look upon the meetings of the Central Committee and these conferences as picnics but as occasions for raising very vital questions. It is our right and our duty to raise them. I would like to touch on the general policy of the Alliance, but five minutes would not be long enough for that. I shall, therefore, confine myself to matters of economic policy. A study of the report of the Central Committee shows, to our great regret, the absence of any international economic co-operative policy of the Alliance. This is recognised by the report itself. The fact that the Central Committee is obliged to substitute for a report on its policy a history of the policy of the Geneva Economic Conference, convened by the League of Nations, underlines still more the weak activities of the Alliance in this respect. Our point of view is that, independently of the participation of outstanding co-operators in one or other field of international activities, the Alliance, as a powerful international and primarily economic organisation, must have a definite and clear point of view on the concrete questions of current economic life. In view of the bond existing between international co-operation and the economic needs of the labouring classes, the Russian delegates proposed at the proper time to convene an international co-operative economic conference jointly with the international trade union organisations. But this has been rejected, and we are certain that the participation by co-operators in the Economic Conference at Geneva has not filled the breach in the economic work of the Alliance. How far the Russian delegation was right is seen from the fact that in the Preparatory Committee of the League of Nations the co-operative and trade union delegations found it necessary to submit a joint declaration which is given in the report of the Central Committee. Apart from the contents of this declaration its weak point was that it was submitted in the name of separate persons, and not in the names of the international trade unions and co-operators.

The PRESIDENT: Order! You are not dealing with international co-operative policy. You are dealing with the policy of another Conference which is the subject of a separate report.

Mr. RABINOVITCH (continuing): In any case it is absolutely necessary that the Alliance, as such, should have a clear policy and definite programme. This is necessary in the interests of the workers and of the whole Co-operative Movement.

Mr. A. KASCH (Germany): I only wish to make a few observations on Mr. Tenhunen's speech. For more than half a year I have been acquainted with the speech which Mr. Tenhunen has just delivered. It was imported direct from Moscow, and appeared about six months ago in the American journal "Pyramid Builder." Mr. Tenhunen is the representative of a small Co-operative Baking

Society in New York, owning one shop. When I read Mr. Tenhunen's speech six months ago I realised why the American Co-operative Movement progresses so slowly. But I may be permitted to say that Mr. Tenhunen represents only his own opinions and not those of America. He represents the opinions of a small group which is a great hindrance to the development of the American Co-operative Movement, because it divides its forces, and does that against which we German co-operators have always fought, and will fight, so long as we have breath. Those co-operators of the rest of the world who represent other conceptions than those of Mr. Tenhunen and his friends, possess that which Mr. Rabinovitch wished that the International Co-operative Alliance should adopt, namely, a firm and immovable attitude, and this attitude is the one taken up 80 years ago by the 28 Pioneers of Rochdale. Let us hold fast to this clear and immovable attitude, we shall then have no need for another programme. To the other speeches in the strain of the previous two speakers the German co-operators declare that the Rochdale principles and the neutrality of the Co-operative Movement in the Rochdale sense must be preserved. The International Co-operative Alliance must remain neutral or it will soon cease to be.

The PRESIDENT: Before I call upon the General Secretary to move a resolution, a representative of Czecho-Slovakia wishes to make a personal explanation. Mr. Hackel!

Mr. W. HACKEL (Czecho-Slovakia): Since a delegate of Czecho-Slovakia has just spoken in a communistic strain on questions which in principle are of great importance, I feel it my duty to say that the delegate in question in no wise spoke on behalf of the Czecho-Slovakian delegation, but in a purely personal capacity, and nothing more. Let me say at once that the whole Czecho-Slovakian delegation, both German and Czech, are of one mind on this question, in so far as co-operative principles are concerned. I do not intend to enter more fully into the attitude of the previous Czecho-Slovakian speaker, but I want to point out that in the Co-operative Movement of our country everyone has the right to express his views freely. There are no restrictions and, after what has been said, it would almost seem as if this freedom existed throughout the Co-operative world. I can say that we are very patient and tolerant towards all political opinion. In our opinion everyone can be as wise or as stupid politically as he desires. It makes no difference, but the impression must not be left on an International Co-operative Congress that Czecho-Slovakia is merely an outpost of Moscow, or that the whole Co-operative Movement is Bolshevised, and that it needs only a little pressure from Moscow in order to start a world revolution in our country. I consider it my duty to make this statement on behalf of the Czecho-Slovakian delegation.

Mr. A. KISSIN (Russia) : I rise to a point of order. A delegate is making an explanation on a matter we have passed. According to the Standing Orders a personal explanation is only permissible at the end of the debate. This discussion on this question was closed, and only during the discussion on the following item was the personal statement made. That is contrary to the Standing Orders, or are there two kinds of Standing Orders ?

The PRESIDENT : The request was sent up to me while Mr. May was speaking on "Communist Propaganda." I did not, of course, know what the delegate was going to say, but I gave him the opportunity of making his explanation.

Mrs. B. KAMINISKA (Czecho-Slovakia) : It is quite natural that a representative of the women workers should wish to say a few words on the Report under discussion, and to voice from this platform their opinion against war, which must be the opinion of all proletarian co-operators. Some of the delegates are perhaps under the impression that the danger of war is exaggerated ; that a world war, owing to the existence of the League of Nations, is in fact beyond possibility. The good-will of the capitalist States towards peace can best be judged by their Budgets, which allot each succeeding year increasing sums to militarism. The danger of war manifests itself in characteristic ways, namely, by the furious attacks of capital on the workers and their organisations. The whole policy bears a more prominent class character than ever before. In the struggle against the organisations of the workers and against the country in which the workers have assumed the power of Government (Soviet Russia, the revolutionary movement in China) all means are considered justifiable. In case of war, this class policy of the bourgeoisie will become still more pronounced. With regard to the war in the East, it will be a war of the imperialist exploiters against the workers in the colonies and dependencies, who fight for the right to dispose freely of their own lives against the exploitation and oppression of the imperialist powers and their agents.

From year to year the sympathy of the workers of the world for the U.S.S.R. is increasing. This is the greatest danger for the ruling bourgeoisie, who will do everything to destroy the independence of the organisations of the workers and the rights of the proletariat, as for example, the attack against the Trade Unions in England. A future war will assume the hitherto unknown class character of a battle against the workers. The result of that war, unless it ends with a victory for the workers will be an inevitable deterioration in the standard of the life of the workers and a weakening of their organisations. Poison gas, germ bombs, and aeroplanes, able to penetrate into the heart of the enemy country, are the weapons which are being prepared for the next war. It is our duty at this Congress to voice the sentiments of the oppressed people in China and other countries where imperialism has taken the offensive.

The International Co-operative Congress must clearly state that the Co-operative Movement considers it its duty to fight with all the means at its disposal against the new world war which is being prepared by the imperialists.

The PRESIDENT : I now call upon Mr. Victor Serwy to propose a resolution on the International Economic Conference.

Mr. V. SERWY (Belgium) : My task will be a very easy one. You have before you a resolution relating to the Economic Conference at Geneva which was accepted yesterday by the Central Committee. This resolution states briefly two important points. It emphasises the fact that the International Conference at Geneva has recognised Co-operation as an economic factor of the highest importance to the social consummation. We, as convinced co-operators, know very well that, in taking part in the Conference at Geneva, we could not expect it to give effect to all our desires. We went there as an act of goodwill, and we have the satisfaction of saying that, even if all our hopes were not realised, nevertheless they are on the way that leads to that happy result. We can, therefore, rejoice in the fact that, in this League of Nations—which is too often represented as being the emanation of capitalist Governments—Co-operation has now its place, and a definite place, as the representative of the great International Organisation has this morning so eloquently affirmed. It would appear then that our Congress should not terminate without noting this important fact. Our Russian friends also took part in the Conference at Geneva at which certain decisions received their approval. I hope, therefore, that we shall be unanimous in stating the importance of this fact ; the League of Nations, the Organisation of capitalist societies, recognises Co-operation as a factor of the highest importance in social evolution. Another fact which should have been noticed is that, in interpreting one of the resolutions of our Basle programme and the claims put forward by consumers of all countries, the Economic Conference at Geneva has not done all that we could have wished, that is to say, it has not stood out for the suppression of all economic barriers, but has, nevertheless, shown that it is increasingly necessary to lessen these barriers and to go forward towards complete freedom of commerce. This second part of the resolution, which co-operators ought to support with all their might, seems to us to need emphasising and for this reason we have thought it necessary to include it in the text which is before you, and to ask Congress to vote upon it. The text of the resolution is as follows :—

“ The Twelfth Congress of the International Co-operative Alliance, held at Stockholm, places on record its appreciation of the recognition given by the Council of the League of Nations to the International Organisation of Co-operators, by the appointment of a representative of the International Co-operative Alliance as a member of the International

Economic Conference just held at Geneva; it hails with satisfaction the large representation of co-operators who participated in the Conference, either as members or expert advisers, appointed by the National Governments of many lands, as testifying to the widespread acceptance of the utility of the co-operative principle as a factor in the solution of world wide economic problems and the re-establishment of economic peace.

“The Congress further expresses its agreement in principle with the resolutions of the Conference so far as they are in accord with the long-established policy of International Co-operation, especially those relating to the removal of customs’ barriers and the reversal of the present system of tariffs; the relations between Agricultural and Consumers’ Co-operative Societies; and the establishment of commercial treaties.

“The Congress declares that the time has come—the stabilisation of the currency being now largely accomplished—to put an end to the numerous irritating obstacles, created since the war by the tariff systems, which are always prejudicial to the consumers of every country, and declares that it is in the interdependence of the nations, and not in the nationalism of everyone for himself, that a fruitful and durable peace may be found, and that one of the most urgent necessary measures is the establishment of commercial treaties of extended duration.

“The Congress declares its intention to pursue these and similar economic aims to the utmost of its power and calls upon the National Organisations affiliated to the International Co-operative Alliance to exert all their influence with their respective National Governments to secure their full and effective support to the proposals of the International Economic Conference.

“Finally, the Congress expresses its readiness to continue energetically the collaboration with the world organisation of economic problems so happily begun at Geneva.”

Mr. POISSON (France) : The task with which I have been entrusted is an easy one, it is that of seconding the motion adopted by the Central Committee and which has just been moved by our friend, Serwy. I would only draw the attention of the Congress to the road which has been travelled and the progress achieved by the Co-operative Movement with regard to this International Economic Conference.

I venture to remind you, as May did so well at Geneva, that it was the Co-operative Movement, which was, perhaps, the first to demand the convening of this International Economic Conference. It was, in fact, at our Congress at Basle, that, following a report by our friend Thomas, we stated that one of the things most necessary

to universal peace was economic peace and, with this object in view, the convocation of an International Economic Conference. Thus, not only is the idea of this Conference ours, but also, if the resolutions of the Geneva Conference are carefully examined, there will be found in them—not in its complete form but in embryo—the whole international economic programme which we drew up at that time.

Co-operation has had its place in the Economic Conference at Geneva. For years past it has not been recognised. You will remember the correspondence of our Secretariat with the League of Nations. The period of waiting is now over as, since the time of the Preparatory Committee, we have been officially invited to the Conference at Geneva.

Our friends Orne and Mrs. Freundlich were our delegates. I should like to say, before this Congress, as I have closely followed their efforts, that they have accomplished a valuable work and that it is largely owing to them that Co-operation in various forms has been placed upon the Agenda of the International Economic Conference.

At the Conference itself many countries were represented by Co-operators. The General Secretary pointed out to me just now, in this Congress, several members of the Central Committee who had taken part in the Economic Conference—our friend Freundlich, who was a Vice-President; our friend May, who was in evidence on many occasions—and on all the Committees of the Conference members of the Central Committee of the I.C.A. have supported propositions—a fact which explains why the co-operative spirit is found, if only partially, in the resolutions of the Conference. Our friend Serwy, on the Committee of Commerce, devoted himself to a policy of moderation regarding economic armaments. We should have liked to have done still more, but is it not already a tremendous achievement to have said to the whole economic world that the time has come to put a check on economic armaments and on customs' barriers; that it is time to revert to a wiser policy for the economic organisations of the exchange; and that the true solution is to be found in the economic organisation of the people guaranteed by commercial treaties.

From the agricultural point of view—and this will be my last word—we have also had a great success. It was recognised that Co-operation, in its agricultural aspect and by its close connection with Consumers' Co-operative Societies, is in the present economic crisis a force which can be used for the general prosperity of the nations. That is a result of which we should be proud.

Does this mean that we should be content with the success we have obtained? By no means. To-morrow we must see to it that the resolutions of Geneva do not remain dead-letters—we must make them live! The Co-operative Committee and the Permanent Economic Institute, whose creation is foreshadowed,

are the first objects to be achieved. We shall go to them as believers there to defend our ideals. To act effectively we must have faith, for according to our faith so shall our triumph be.

Mr. LORENZ (Germany): On a point of order, Mr. President. The lady speaker from Czecho-Slovakia has spoken to a point which is not under discussion. I make no reproach against the President, but it would be well for the delegates—and it is only right—not to take unfair advantage of the fact that the President only understands English. I would, therefore, appeal to all and also ask the Congress Bureau to see to it that such a thing does not happen again. We reserve the right to refer to this matter again when the subject comes up for discussion.

The PRESIDENT: You can all see the difficult position in which I am placed. May I appeal to the goodwill of all the delegates to confine their remarks to the question before the Congress.

Mr. A. GOUREVITCH (Russia): When this question was discussed by the Central Committee at their meeting in Hamburg our members on the Central Committee indicated that, although the Alliance might accept the invitation to attend the Economic Conference at Geneva, they must have no illusion that the Conference would be in a position to solve any great world economic problems in general, or any workers' or co-operative problems in particular; that only a conference of co-operative and workers' organisations could show to the working people of the world a way out of the present economic crisis; and that only such a conference could be a real help to the Co-operative Movement in its struggle with private trade and industry. Their apprehensions have been justified. The International Economic Conference did not solve any great economic problem of the world, and did not give any help at all to the workers in general and the Co-operative Movement in particular. When the so-called Labour Group handed in a very mildly-worded resolution at Geneva on the control of trusts and combines, it was turned down. But the composition of the Conference itself was such that interests which are violently opposed to each other were represented and for this reason nothing real could be achieved. Mr. Serwy submitted the resolution on behalf of the Central Committee and I would especially draw your attention to the last paragraph but one, which reads:—

“and calls upon the National Organisations affiliated to the International Co-operative Alliance to exert all their influence with their respective National Governments to secure their full and effective support to the proposals of the International Economic Conference.

“Finally, the Congress expresses its readiness to continue energetically the collaboration with the world organisation of economic problems so happily begun at Geneva.”

Now, I would remind you of Mr. Serwy's own words. He said we were in agreement with some of the proposals submitted in Geneva. Yes, with some, but not with all. How is it possible then for us to vote for the resolution which, as a whole, is the work of Geneva. It is for this reason the Russian delegation opposes the resolution, believing that the adoption of such a resolution would weaken the position of the Co-operative Movement and divert us from our proper path.

The PRESIDENT : Mr. Serwy has now the right of reply.

Mr. SERWY (Belgium) : I have before me the voting of our Russian comrades at the Economic Conference at Geneva. I had appealed to their practical spirit and to their goodwill, hoping that, in the circumstances, they would vote for the resolution which is before the Congress. As a matter of fact, in the Commission on Commerce they voted for a certain number of recommendations (not for all, I admit), on the simplification of Customs' tariffs, on the unification of tariff nomenclature, on the application of tariffs, on commercial statistics, and on the regulations which govern Customs' duties. In view of this I thought that our Russian comrades would also vote for this resolution, which is the most important from the co-operative point of view. May I make a last appeal to them to add their vote to that of their fellow co-operators ?

The PRESIDENT then put the resolution to the vote and declared it adopted by a large majority.

(The discussion on the Report of the Central Committee is continued on page 213.)

CLOSE OF THE SECOND SESSION.

THIRD SESSION.

Tuesday, 16th August.

MR. A. WHITEHEAD PRESIDING.

AMENDMENTS TO THE RULES OF THE I.C.A.

The PRESIDENT: We will now commence the consideration of the proposed amendments to the rules of the Alliance which will be found in the agenda before you.

The General Secretary will explain the proposed amendments. Let us first take:—

Article 17, Clause IV.—Rate of Subscriptions.

Delete the first paragraph and substitute the following:—

“The standard of all subscriptions shall be the £5 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.”

The GENERAL SECRETARY: The reason for proposing this Amendment of the Rules will be, I hope, quite clear, but I have a few words of explanation. You may remember when the Alliance resumed its activities after the war, it was found that the depreciation in the currency in many countries had made the payment of subscriptions according to the ordinary standard of currency absolutely impossible. In order to meet that situation, the Central Committee decided, and the Congress at Basle confirmed, an alteration of the Rule which gave to every country with a depreciated currency the opportunity to pay at the mean rate. That arrangement has continued until now, but, as you are aware, most of the countries have stabilised their currency, and those which have not have made considerable steps towards ameliorating the position under which this modification in the Rules for payment was provided for. The Central Committee, therefore, think that, though the time has perhaps not yet come to restore the standard rate of subscriptions in all countries, because it would be hard upon several which are still far from being stabilised, some steps should be made towards resuming the pre-war standard of subscriptions. The amendment submitted to you this morning is a sort of halfway-house. If you adopt this proposition this morning, and the Central Committee hope you will do so, you will then take a considerable step towards reaching the general standard

of the £ sterling, but you will also avoid dealing harshly with those countries which are as yet in a feeble condition and, equally, you will avoid making invidious distinctions between this or that country, or treating them in any other way than according to the Rule. That has, as you will appreciate, for these countries suffering in this way, this considerable advantage that their difficulty would be provided for by a special Rule applying to all in similar conditions rather than that they should be treated under exceptional circumstances. Under these circumstances, the Central Committee recommend you to adopt this Rule as being fair and equitable to all concerned.

The amendment was put to the vote, and adopted unanimously.

Article 22.—Representation at Congress.

Add the following to the first paragraph :—

“ Provided that no country or union of countries shall exercise more than one-fifth of the total voting power of the Congress.”

The GENERAL SECRETARY: It does not seem necessary that I should say more than two or three sentences about this proposed Amendment as it is nearly self-explanatory. Any one who studies the Rules of the Alliance or the representation in this Congress, or even the arrangement of subscriptions, must realise that with the enormous inequality of numbers of the different countries it is almost impossible to arrange a perfectly balanced and proportionate system of representation and voting. The Central Committee have had this matter under consideration and, with a view to preventing the Congress or the Central Committee or any of the organs of the Alliance from being over-balanced by any one section or any one country, they have proposed this Amendment to the Rule, that whatever the dimensions and the subscription of any country or union of countries, that country or union of countries as it may be accepted in the Alliance shall not exercise more than one-fifth of the total voting power of the Congress. I only need to add to this that in a practically full Meeting of the Central Committee this proposition was adopted unanimously.

Mr. A. GOETTLER (Ukraine): The proposal to alter the Rules of the International Co-operative Alliance so that the maximum votes which any country or union of countries may hold at Congresses shall not exceed one-fifth of the total number of votes, is a curtailment of our rights to which we were entitled at Ghent and are again entitled at Stockholm. But we will vote for this amendment in order to show that we have no intention of trying to secure a majority of votes in the Congress by purely mechanical means.

The amendment was put to the vote, and adopted unanimously.

Article 30.—Executive Committee.

Add the following :—

“ Any member who is prevented from attending a meeting of the Executive may appoint a substitute who must be a member of the Central Committee.”

The GENERAL SECRETARY : This amendment also is self-explanatory. Arising out of the difficulties of some of the members in distant countries which prevent them from being present at some of the meetings of the Executive, the necessity has arisen of arranging for the attendance of some other member of the Central Committee. So far there has been no possibility of mitigating this evil. One of our recent meetings almost collapsed because of the sudden illness of two or three members of the Executive, and the consequent diminution of the number of members present. Rather than increase the number of members of the Executive, the Central Committee propose that a member of the Executive unable for any reason to attend a particular meeting may be replaced by another member of the Central Committee, and thus secure the presence of the number provided by the Statutes. The Executive to be efficient must be few in number. It is, therefore, all the more necessary that substitutes should be permitted. I, therefore, submit the proposal on behalf of the Central Committee.

This amendment was agreed to by acclamation.

Article 5.—Official Languages of the I.C.A.

The next amendment was proposed by “ Centrosoyus,” Moscow.

Add “ Russian ” in the first line.

The GENERAL SECRETARY : This amendment to add “ Russian ” to the official languages of the Alliance has also been before both the Executive and the Central Committee. I think it may be taken for granted that, if it is any matter of interest to the Russian Organisations, it has been thoroughly discussed and thoroughly considered and often considered before it reaches this Congress. On this matter the Central Committee, as a whole, are sympathetic, naturally sympathetic, with the desire of the Russian Co-operators that their language should be included in the official languages of the Alliance. The Central Committee were asked to make it possible for the Russian language to be used in the meetings of this Congress, and, apart altogether from the question of Russian, they would have been in the same difficulty if it had been Esperanto that had been proposed. They were appalled at the idea of inflicting upon this Congress at least three translations of every speech. It is a practical difficulty at present. We do not pretend that it is a financial difficulty because the Russian Co-operators have agreed to finance, or to contribute to the expenses that may be incurred by, the adoption of their proposal. This is a point which the Central

Committee have never considered because any member of the Alliance that is not provided for in the Rules has a right to make the same proposition and for the expenses to be provided for out of the ordinary funds. I only mention that the Russian Co-operators are ready to meet the question of finance. The question is really a practical one as to whether it is possible, practical, or desirable to inflict upon a Congress of this sort three translations of every speech. The Central Committee, I have said, are sympathetic. They have decided that all practical means shall be explored with a view, if possible, of putting this request into operation after the Congress at Stockholm. The Central Committee think, for example, that it may be possible to arrange the business of the Congress so that the whole meeting may not be fatigued with all the translations. We have seen since we came together in this Congress how very tiring it is to listen to numerous translations. Only last evening at the dinner in the Town Hall you have seen how the delegates took to flight as soon as the translations began. They disappeared like snow before the first rays of the spring sunshine. In view of these facts, it does not seem at all necessary that you should adopt this proposition to-day. The Central Committee have taken this matter in hand in perfectly good faith and will try to find a solution for it and, with your permission, will put that solution into operation at the earliest possible moment. They, therefore, ask you to support them to-day by rejecting the proposal of "Centrosoyus" and accepting the arrangement which I have outlined.

Professor N. L. MESTCHERIAKOFF (Russia) : We are very pleased that the General Secretary, the Executive Committee, and the Central Committee agree with us that Russian should be allowed at Congresses as a fourth official language. We would point out that this question was raised three years ago, and now we should like it to be settled immediately, for this reason : Russian Co-operation comprises more than 20,000,000 members, that is, almost half the population of the whole world. It is a form of Co-operation which works in several domains, on principles which differ from those of other countries, and which it would be interesting for co-operators to know. In fact new classes in Russia have come to the seat of Government and to the head of the Press ; they are no longer the functionaries of the old régime, but peasants and workers. Now, if the functionaries knew foreign languages, the peasants and workers only speak Russian. They have, however, interesting and important things to tell you, and that is why we ask you to allow our comrades who do not know either of the official languages to speak here in Russian. As for ourselves, it goes without saying that we shall continue to speak in the official languages which we know. We are ready to make concessions ; we do not ask for all the speeches delivered to be interpreted into Russian ; we will undertake to do that amongst ourselves with the help of our own interpreters. Neither do we ask for all the documents to be translated into Russian,

but we do ask that our request may be granted during the present Congress.

Dr. E. PRIVAT (Switzerland) : There is something very important in the Russian proposal—that is, it is of great importance that those with rising ideas should have the opportunity of saying what they think. The more the rank and file take part in our international discussions and in international life, the more our people will benefit. I hope this Congress will come to a unanimous decision in favour of the idea that the General Secretary has outlined, and possibly say that the Executive shall study the question with all sympathy and consider the Russian point of view. I want to add a personal recommendation. I do not believe you will for many years get on under the very bad system you have in this Congress, even without increasing the two translations after each address. It is tiresome and unjust ; there is no reason why any of the great nations should have the privilege of speaking in, and listening to, their own language. It is not just. Why should only the English and French and Germans have the right to speak their own tongues and not the Chinese, the Finns, and the others ? Mankind will not tolerate this state of things very long. The workers have shown themselves to be much more advanced than that. They have already begun to learn Esperanto. I have had difficulty in understanding some of the English speeches which leaders have delivered here because their enunciation is not clear, but I have had no difficulty in speaking and in being understood in Esperanto by simple workers. In Russia there are 25,000 workers learning Esperanto, and they realise the importance of an international language. The best plan would be to follow the example of the International Teachers' Conference at Prague, where each delegate spoke in his own language and the speeches were only translated once into Esperanto. As this procedure was made known beforehand, many studied Esperanto especially for this Congress and learned sufficient to be able to follow the proceedings. At the conclusion of the Congress about two-thirds of the delegates were able to express themselves in Esperanto. That is a much more simple way than ours, and I hope the Executive will consider the great progress that Esperanto is making and decide that the International Co-operative Congress shall not remain behind the times, and that the simple workers shall not be in advance of their leaders.

Mr. M. G. TOROSHELIDZE (Georgia) : Georgia supports the proposition of "Centrosoyus" with regard to the admission of Russian as one of the official languages of the Alliance ; this would greatly facilitate the task of the delegates of the different peoples of our Soviet Union. All the Russian delegates support this request because it would enable them to personally deliver their speeches. That is why I hope that this proposition will be adopted by the Congress.

Professor C. GIDE : I express the opinion of the French delegation which is to grant the demand of the Russian comrades with the reservations which they themselves accept. You have heard that it is no question—as this assembly thinks and as I thought myself—of translating all the speeches into Russian, which would prolong the Congress indefinitely. The Russian comrades simply ask that some of them may be allowed to speak in Russian. It is certainly rather painful to us to think that there are some of our comrades here who are obliged to remain dumb because they may not speak their own language and do not know any others, and also that they resemble the deaf and dumb because a great many of them do not understand French.

If the rule were altered the matter might be arranged in this way, a limited number of Russian delegates might, in accord with the Bureau of Congress, be authorised to speak in their own language.

It is no good hiding the fact that this question of language will become an increasingly difficult one at our Congresses. If, for example, it were a question of a Congress of diplomats it would not be the same, and the use of two or three languages would suffice, because in those circles nearly everyone speaks English, French, or German with equal facility in addition to their own language. But in popular Congresses, like the International Trade Unions or the Congress of the International Co-operative Alliance, the members, as a general rule, speak only their own language. I myself am in that position. Now it is easy to see that, when our Italian friends join us again, they will certainly ask for the inclusion of Italian amongst the official languages. Then if, as we hope, the South American and Mexican Republics join the Alliance, they will probably ask that Spanish, which is destined to be spoken by a larger number of people than Russian, should be recognised. I do not know whether Esperanto will solve the difficulty, but that will not be just yet.

As I do not wish to prolong my speech, I will confine myself to supporting the request of our Russian comrades.

Mr. A. G. MIRUS (Germany) : I move that the discussion be now closed.

The **PRESIDENT** declared the closure carried and called upon Mr. May to reply.

The **GENERAL SECRETARY :** There are only two points I wish to answer. I have already assured you of the sympathy of the Central Committee with the desire of the Russians to have their language spoken in the assemblies of the Alliance, and of the fact that at Brussels they were influenced by the practical difficulties. One of those difficulties is the undoubted right of delegates of other nations to have the same consideration for the use of their language as the Russians claimed. But the speeches which have been made to-day have done nothing to clear away any of these difficulties.

Let me refer, as an illustration, to Dr. Privat's suggestion. He said that there are 25,000 people in Russia who are learning Esperanto, but I may remind you that the population of Russia is 120,000,000. I leave it to you to make the calculation of the date when we shall be able to converse with our Russian friends in Esperanto. The other point is a more serious one: and I put it to you as showing what are the real difficulties of the Central Committee and of this Congress in attempting a proposition like this. Some of my colleagues around me and myself have been to Russia, and in some cases more than once, and we have sat in meetings where the Russian language has had to be interpreted by a Russian interpreter to Russian delegates! Now anyone who knows Russia knows that I am simply stating the facts and what are the difficulties. Anyone who knows anything at all about Russian—I do not know much myself, but, nevertheless, for several years past I have had lessons from my Russian friends, and have learnt a good deal from them—knows there are about 70 languages and dialects. When we went to Moscow to distribute the funds you had contributed to help the children who were starving, we were taken to the schools to see them; and one of the things that struck me most was that they had to bring their teachers from other parts of the country and interpreters who understood their tongue, in order that they might express to the people of Moscow, and the surrounding towns, what were their daily needs—Russians interpreting to Russians! That is not said as a reproach, but as showing the practical difficulties. I ask you now, on behalf of the Central Committee, not to make any hasty conclusion to-day, but to leave it to the Central Committee to work out a practical scheme. I venture to suggest that if you adopt the proposal now, you will need more than one interpreter to make a Russian speech clear.

Professor METSCHERIAKOFF (Russia) claimed the right of reply.

The PRESIDENT: As proposer of the resolution, Mr. Metscheriakoff has the right to reply, but his remarks must be kept strictly to the questions raised in the discussion.

Professor MESTCHERIAKOFF (Russia): All the speakers who have spoken on the subject of the proposition, which I am defending, have intimated their agreement with us that the workers and peasants here, who do not know another language, should speak in Russian. But there is some misunderstanding: they seem to wish to grant us a favour, while what we ask appears to us to be a right.

Moreover, they say: "This question must be referred once more to the Central and Executive Committee." Now it is already three years since this question was raised and nothing has been done, and we greatly fear that in three years time it will be no farther advanced.

Let us immediately decide upon this resolution which we propose. We assure you, quite frankly, that we will not abuse this right; that everything shall be done to facilitate the work of the Congress in this respect, and it is understood that those of our comrades who speak one of the official foreign languages shall use it, and, in this case, we should not ask for a Russian translation. But let us settle the question at once.

The PRESIDENT: We will now take the vote on this question by card. All those in support of the Russian proposal that the Russian language should be admitted as an official language of the I.C.A. will now vote.

In favour of the Russian proposal.....	199
Against	420
	—
Majority Against	221

The President declared the motion lost.

Article 26.—Representation on Central Committee.

The GENERAL SECRETARY: The question of the election of the Central Committee has become a little complicated by reason of a proposition sent in yesterday by the German delegation and another proposition sent in by the Czecho-Slovakian delegation which, if carried, will make alterations in the printed list of nominations for the Central Committee which has been distributed to the delegates. The whole matter has been considered by the Congress Bureau, and I would like to convey to you the result of their deliberations. In the first place it is necessary to point out that at Hamburg last year the Central Committee decided that all the National Co-operative Organisations in the U.S.S.R. should be regarded as of one country, and, therefore, in accordance with Article 26, should be entitled to the maximum representation allowed by the rules. By reason of further representations made to the Central Committee at Brussels in April last, another resolution was adopted which reaffirmed the resolution of Hamburg, but stated further that the Central Committee had no desire to deprive the Soviet Co-operative Organisations of the number of members they had already received, which had been accumulated from time to time in various circumstances. It was, therefore, agreed, that their number should not be diminished, at present, on condition that the U.S.S.R. Co-operative Organisations should also agree that this should be their maximum number, whatever might be the number of additions to the membership of the Alliance from the U.S.S.R. The German delegation made their protest at Brussels against this special treatment of the Russian Co-operative Organisations, and said they would bring the matter before this

Congress in order to decide the question of principle. The resolution deposited yesterday by the German delegation is not only in fulfilment of that promise but to enable the Congress to establish a clear principle and to avoid the special treatment of any country. The object of the resolution is to restore and maintain, for all countries, Article 26 as it stands, so that no country should have more than seven representatives.

The Czech Co-operative Organisations have sent in a resolution expressing their disagreement with the decision of the Central Committee at Brussels, and proposing that the rules should be altered in order that every country in the International Co-operative Alliance shall be entitled to a maximum of 14 representatives, provided that they pay the appropriate contribution according to the existing rule. The Central Committee have been anxious to avoid reopening the matter at Congress, and the Congress Bureau, at their meeting this morning, decided to suggest that Congress should accept the principle of the proposition made by the Czechs that the rules should be altered to allow every country to have 14 members on the Central Committee. The Congress Committee took into consideration also the possibility that some of the nations would not wish to incur the expense of sending so many people to their meetings, and, therefore, they suggested that a further amendment should be adopted which would apply the same principle to the Central Committee as now obtains in the Congress, namely, that any country entitled to the maximum number of delegates need not send that number of persons to the meetings of the Central Committee, but that one or more representatives should be entitled to exercise all the voting power to which the country is entitled. If Germany or Russia were entitled to send 14, they could send two or three and still have 14 votes. That solution of the question has met with general acceptance by the Congress Committee. They are prepared to accept the idea of 14 being the maximum by giving two or three representatives the right to use the 14 votes. If there is a general sense of acceptance of that principle on the part of the three delegations chiefly concerned, viz., Russia, Great Britain, and Germany, the Congress Committee suggest that the matter be adjourned till Thursday so that the necessary amendments to the rule may be drawn up, distributed, and discussed on Thursday morning.

Mr. H. LORENZ (Germany): After the statement which the General Secretary has just made on behalf of the Congress Committee I can adjust my lyre to softer airs. I should have had to say some hard things in order to restore rights which have been infringed, but now I can speak more moderately because I hope that the Congress will agree to the proposal of the Congress Committee. Nevertheless, I must acquaint you with the reasons which induced the German delegation to submit their proposal.

Article 26 fixes the representation on the Central Committee, which is dependent on the payment of subscriptions. £100 must be paid for one representative and at least another £100 for each additional representative, but it says quite explicitly that no country shall have more than seven representatives. According to all rules of common sense, and exclusive of juridical conceptions, that is absolutely obligatory, i.e., no country can have more than seven representatives no matter how many £100 it may pay.

That being the case it is, to our way of thinking, quite impossible to agree to the resolution adopted by the Central Committee at Brussels. In our opinion, the right to representation must be stated in the Rules, and, according to Article 20, the Rules cannot be amended by the Central Committee, but only by the Congress. Last year at Hamburg the Central Committee passed the following resolution :—

“That the Union of Socialist Soviet Republics, which includes Russia, the Ukraine, White Russia, Armenia, Georgia and Azerbaidjan, should be regarded as one country for the purposes of Article 26 of the Statutes of the I.C.A. and should be accorded representation on the Central Committee accordingly.”

This can only mean that no country is entitled to more than seven representatives. Had it remained at that, all would have been well. But in Brussels, the Central Committee, while confirming its resolution adopted at Hamburg, added that, “The Central Committee of the I.C.A. . . . does not desire to deprive the Organisations comprised in that resolution of the representation which they have already obtained under varying circumstances during the past six years.

“The Central Committee, therefore, agrees that the U.S.S.R. should retain its present 14 seats on condition that, on its part, the U.S.S.R. gives an undertaking to accept that number as its maximum representation in the Central Committee whatever may be the increase in the number of its members in the future.”

Juridically this cannot hold good. It would mean for the Russians that, if some day it were decided to raise the number to 20 and they had morally agreed to 14 representatives, they would be six representatives short. This is not intended and is quite incorrectly expressed. In our opinion the Central Committee had no power to adopt such a resolution, and we gave notice that we would appeal to Congress to decide this question of principle.

The Central Committee is an organ of the Alliance and must see that the Rules are maintained, and not violated. It cannot pass resolutions which are beyond its powers. We ask, therefore, that Congress should decide on principle what is right. We believe that an obvious right has been violated by this resolution and we desire

that equal rights for all shall be re-established. We do not want privileges for anyone, which are only a derision of rights. Whoever, claims privileges acts against the most natural conception of right, and every reasonable person will oppose privileges. We are a democratic organisation and we do not want to take away anything from any member, but what is given must be equally shared by all. We do not want to do an injustice to the Russians, neither do we want to give them privileges, which is what the decision of the Central Committee does.

On behalf of the German delegation I must appeal to the sense of justice of the Congress and the democratic convictions of all representatives who have come here from democratic countries to support our proposal to re-establish equal rights in regard to representation in the Alliance.

If the proposal that the maximum representation shall be 14 is agreed to, we will raise no objection, and in this respect, in so far as our esteemed General Secretary is concerned, I believe I can conclude with Wallenstein's words: "Thou comest late, but thou comest. Thy late arrival, Count Isolan, excuses thy omission."

Mr. A. KISSIN (Russia): The decision of the Central Committee at Brussels was not adopted at our instigation, but on the proposal of Belgian and English interests, or rather on the proposal of the Executive. If the Congress Committee to-day approves another proposal, it does not mean that it agrees to ours, but it decides to reject the proposals of the Executive and the Central Committee.

With regard to our attitude, I must say that we have several times declared in the Meetings of the Executive and the Central Committee that nothing is further from our minds than to obtain a mechanical majority on the Central Committee; in other words, that we do not ask for privileges. In this respect, therefore, it is quite wrong of Mr. Lorenz to play the part of a schoolmaster with such pathos as he has done. He thinks that he is entitled to say: "There are no privileges, but equal rights for all." If he concedes equal rights to all, then we ask: Was it giving equal rights to all when you refused us the use of the Russian language? We do not enjoy equal rights, if you have the right to speak and we have not. This is an injustice. In voting we have not the same rights. That is one example of your democracy, Mr. Lorenz.

With regard to the question of representation, why do we insist in the meetings of the Central Committee that we should retain the representation which we now have? This is the position. The Co-operative Movement in Russia is built on a different basis than in other countries. One of the greatest achievements of the October Revolution was that our nation obtained the right of self-determination. We have quite a number of national Associations and Unions, and this is why we asked that our Co-operative Societies

in White Russia, the Ukraine, Turkestan, Georgia, and the other Republics shall have the right to be represented here and on the Central Committee. This right finds expression in the motion submitted by Czechoslovakia, for which we will vote.

Mr. E. LUSTIG (Czecho-Slovakia): I feel it my duty to say a few words in support of our motion. Our Co-operative Movement desires that Peace should be established in the International Co-operative Movement. We all suffer from the fact that there has been unrest for several years past in the World Movement. The object of our motion is to establish order within the Alliance and the right to representation on a firm foundation. It is our most earnest wish that the Alliance should be freed from these continuous skirmishes, and that it should devote itself to the economic questions and International Co-operation. I appeal to the Congress to support our resolution because we believe that it is in the interests of International Co-operation.

Mr. VAN DER HORST (Holland): We, of the Dutch delegation, would like to make a remark on the speech made by Mr. Lorenz, of Germany. We would like to ask him if it is in agreement with the rights of the democratic organisation of the International Co-operative Alliance to alter at one stroke the existing situation, in respect of the representation on the Central Committee, between the little and the big countries from one to seven to one to fourteen. The only argument brought out in favour of this alteration is that incidentally the Russians had 14 delegates on the Central Committee, which number might have been 20 or 30, and the Congress Committee could then have proposed to alter the maximum of Article 26 of the Rules from 7 to 20 or 30. We cannot understand how the British, with their common sense which is known all over the world, can declare that there is any justice in this proposition of the Czechs and the Congress Committee, and we strongly advise the delegates to reject it.

The PRESIDENT: I have a motion that the discussion should now close. Mr. Lorenz claims the right to reply.

Mr. H. LORENZ (Germany): Permit me to say a few words which would not have been necessary if our esteemed friend Mr. Kissin did not oblige us to try again and again, at least to refute his inaccuracies. The number of co-operators in Russia, which yesterday was given as between 10,000,000 and 11,000,000, has increased to-day to 20,000,000. This is a very gratifying rate of progress. I hope that the figure to-morrow will be still higher, if that were of any consequence, which it is not. We know that Russia has a strong Co-operative Movement. The chief thing is that these 20,000,000, or however many millions there may be, are ruled on the principle of our former German Conservative extremists—"The King is absolute when he does our will"—only that in Russia it is reversed—"The People are absolute when they do the Communist

will." Russia to-day, instead of being ruled by a Tzar, is ruled by 600,000 people, i.e., the Communist Party. It is quite superfluous to try and make us understand that this is not the case.

At this point there was considerable interruption. The President having succeeded in restoring order and requested the speaker to keep to the subject before the Congress,

Mr. Lorenz continued. Mr. Lustig has spoken very appropriately and expressed the wish for peace which I hope will at last be realised in the Alliance. Personally, I am not hopeful, but if it were possible to secure the peace which Mr. Lustig desires by raising the number of representatives to 14, and by undertaking that we will no longer engage in squabbles, but devote ourselves to the solution of the great problems and tasks of the Co-operative Movement, then I would willingly agree to all the motions submitted.

The PRESIDENT: The discussion on this question is adjourned until Thursday morning, and meanwhile the necessary amendments to the rules will be prepared and distributed.

CLOSE OF THE THIRD SESSION.

FOURTH SESSION.

Wednesday, 17th August.

MR. E. POISSON PRESIDING.

FRATERNAL DELEGATION.

The PRESIDENT, on opening the proceedings, introduced Mr. Albert Thomas, Director of the International Labour Office, Geneva, as the fraternal delegate from that Organisation and explained that Mr. Albert Thomas was unable to be present at the opening session of the Congress, but had just arrived to present to the Congress in person the fraternal greetings of the I.L.O. from which the Alliance had already received so much aid and encouragement.

MR. ALBERT THOMAS said: May I thank the President and the Congress Committee for having so kindly allowed me to convey, though somewhat late, yet none the less heartily, the greetings of the International Labour Bureau to the International Co-operative Congress.

In reality we are only continuing our old and friendly relations. During the seven years that the International Labour Bureau has been in existence, we have never ceased to keep in touch with the International Co-operative Assemblies. At the first meeting of the Central Committee after the war, at Geneva, the I.L.O. was represented by its Director. At Basle and at Ghent our Organisation was also represented. Is this only because amongst its leaders there are some co-operators with whom we have had loyal and cordial relations? In reality I think that these relations are deeply rooted in the spirit of our two Organisations. Clause XIII. of the Peace Treaty states that "universal peace can only be founded on social justice"—and it has given to the International Labour Organisation the mission of establishing humane and equitable conditions of labour. It is true that one cannot succeed in establishing a little more social justice unless animated from day to day by the co-operative spirit, and supported by the Co-operative Organisation itself. It is in this spirit that we have worked for the past seven years.

We have thought that when, in our Organisation, between employers and workers, it seemed necessary to represent the interests of the masses, these collective interests should not be represented solely by delegates of Governments and of their Administrative Departments, but that the interests of all should be safeguarded by the organised consumers, that is to say, by

co-operators. It was in this spirit that we created our Co-operative Section ; it is in this spirit that for some years past in agreement with the Alliance we have pursued our task of accumulating and arranging scientifically co-operative information ; it is in this spirit that we have tried to promote not only the conditions of labour, but the conditions of life of the working people.

Now, since our last meeting—since the Congress at Ghent—our horizon has, so to speak, enlarged. The workers, anxious to uphold the conditions of labour, and represented through their Unions in our Organisation, have insisted on establishing both stability of employment and, in European countries, higher rates of wages and improved conditions of living. In order to obtain these results they have for four years been pressing the League of Nations to convene an International Economic Conference capable of organising production on better lines. They asked that the International Labour Bureau, the industrialists, the big business men, who hitherto had been responsible for the organisation of production, should meet at Geneva to study and organise universal production in a more systematic manner, and one which would facilitate the realisation of the common well-being.

The International Economic Conference has been held and co-operators were included in its membership. They brought with them the spirit of their Movement. It is indispensable that such deliberations should be carried out in the spirit of co-operation. Industrialists and business men pointed out that in order to develop production it was necessary to lower protective tariffs and that extended commercial treaties should be established. They stated that it was necessary to rationalise methods of production and to create industrial agreements. But all efforts will be in vain and will fail if the spirit of Co-operation, if the spirit of the interests of the community, does not preside over the work.

An economic organisation of the League of Nations and the realisation of the well-being of the community will only be possible if the co-operative idea is constantly in evidence in the efforts for international construction.

It is in this spirit that the International Labour Office conveys to you this morning its cordial greetings. The report of the Central Committee emphasises the fact that it has more freedom than the League of Nations itself to keep in touch with the large collective interests. That is true. But it is not only because of the facilities which our constitution gives us, it is with the conviction that only the systematic and reasoned effort of men can establish social justice and universal peace that we greet you this morning rejoicing that we are met in one of those Northern countries where the thought of the strength and capacity of human elements capable of organising society on a better plan—capable of disciplining and dominating the forces of nature—reigns with so much vigour.

Fellow co-operators, it is to the realisation of our dearest hopes for justice and peace that we invite you, happy to maintain between us a collaboration full of friendliness and completely efficacious for our common future.

The PRESIDENT : On behalf of the Congress I again thank our friend, Albert Thomas, and the I.L.O. as well as its Administrative Council, and hope that their collaboration with our Alliance will become more and more fruitful and useful to the Co-operative Movement.

SWEDISH PRINTERS' GREETING.

The GENERAL SECRETARY : A message was received yesterday, but unfortunately we separated without communicating it to the Congress. It is addressed from the Swedish Printers' Association assembled in their general meeting, and they send "Heartiest greetings and good wishes for the success of the Congress." I am sure I shall be interpreting the wishes of you all if I propose that a suitable response be immediately sent by telegraph. I move, therefore, that our hearty thanks be sent to the Swedish Printers' Association for their fraternal and cordial greetings.

This proposition was adopted by acclamation.

ATTENDANCE OF DELEGATES.

The GENERAL SECRETARY, in compliance with the wish of the delegates from Lithuania and Roumania, whose names were not included in the official list circulated to the Congress, announced their arrival and presence in the Congress. He also announced that the delegates duly appointed by the organisation in Palestine and included in the official list were unfortunately prevented from being present. A telegram had been received expressing their regret.

CONGRESS PAPERS

ON

SPECIAL SUBJECTS.

I.

Relations between Consumers' and Agricultural Co-operative Societies.

By BERNHARD JAEGGI

(President of the Board of Administration of the Union of Swiss Distributive Societies, Basle, Switzerland).

With the steady development of the Consumers' Co-operative Movement and the considerable increase in the number of Agricultural Co-operative Organisations in various countries during the last few years, the question of reciprocal relations between these two forms of Co-operation has become one of the utmost importance. The problem of closer relations between producer and consumer, and its eventual solution, is of great influence on the future development of Co-operation, and consequently, also, on the evolution of National Economy.

The importance of the question presents itself, so to speak, day by day to the active Co-operator, and it is, therefore, not by chance that the question of The Relations between Consumers' Societies and Agricultural Co-operative Societies has appeared regularly for several years past on the Agenda of the Congresses in various countries. The International Co-operative Alliance has also discussed this question on several occasions at its Congresses—for the first time in Glasgow in 1913, where Mr. Heinrich Kaufmann, in his paper on The Direct Exchange of Goods between Consumers' Agricultural and other Productive Societies, and between the Co-operative Wholesale Societies of the various Countries, submitted the following schemes in regard to the relations between Agricultural and Consumers' Societies :—

“ 1. The sale of the produce of Agricultural Productive and Sale Societies to Distributive Societies in the same district ; and, secondarily, the direct supply of goods to these Agricultural Societies by these same Distributive Societies.

“ 2. The sale of the produce of Agricultural Productive and Sale Societies to Distributive Societies in other districts of the same country, through the agency of Co-operative Wholesale Societies of the Consumers' Societies, or Central Co-operative Sale Societies ; and, secondarily, the supply of goods to these Agricultural Societies by the Wholesale Societies with which they maintain commercial relations.

“ 3. The sale of the produce of Agricultural Productive and Sale Societies of one country to the Distributive

Societies of another, entirely through the agency of the Agricultural Central Sale Societies and the Co-operative Wholesale Societies of the Consumers' Societies; and, secondarily, the direct supply of goods to the Agricultural Productive and Sale Societies of one country by the Distributive Societies of another with which it maintains commercial relations."

The question was later the object of discussion at the International Congress held at Basle in 1921, and, after a report by Mr. Albert Thomas on International Co-operative Policy, a resolution which contains the following passage was adopted :—

"The Congress is convinced that commercial relations between the Co-operative Organisations of various countries will not only serve the general good by eliminating middlemen's profits, but will also lay a strong foundation for a world economic system in which the spirit of strife and competition would have no place. For this purpose it recommends the establishment of direct relations as between country and country, and within each country, between organised Consumers' and Agricultural Producers' Organisations, and it counts on the Central Authorities of the International Co-operative Alliance to unite all the Co-operative Organisations of the whole world."

Mr. Albert Thomas treated the same question further at the International Congress held at Ghent in 1924, where the following resolution was adopted :—

"The Eleventh Congress of the International Co-operative Alliance notes that the opinion of Co-operators in all countries is converging on the characteristics which distinguish them from Joint Stock Companies and are common to all Co-operative Societies, whatever their form.

"It considers that, with the assistance of the Co-operative Organisations and the best-informed Co-operators in the different countries, prominence should be given in the 'International Co-operative Bulletin' and the official reports of the International Co-operative Alliance to a survey of the present position and development of the relations between the various forms of Co-operation.

"It regards the steady development of such relations as a condition for the national and international organisation of an economic system based on the satisfaction of needs and not on profit. It, therefore, draws the special attention of the Co-operative Movement to a line of action of the first importance.

"It is desirable that organic relations should be established between Distributive and Agricultural Co-operative Organisations with a view to the local and national consolidation of

the interests of consumer and producer in town and country, the international consolidation of the interests of industrial and agricultural countries, on the basis of mutual respect for each other's conditions of life and work.

"The Congress invites Co-operative Societies to consider whether, in their relations with the staffs they employ, Co-operative Societies of every description should entrust to co-operative groups of workers, manual and intellectual, the independent responsibility for the direction of those parts of their business which are technically separable from the commercial and financial administration, and thus give an example to private enterprises of an organisation of labour which conforms to the aspirations and the convictions of the workers.

"It is by making the different forms of Co-operation articulate that the Co-operative Movement will demonstrate its capacity to reconcile—in the organisation of industry as in that of agriculture—human dignity, freedom of action and autonomy in labour, with technical progress and collective action."

By selecting this question and placing it on the Agenda for the International Co-operative Congress which is to be held at Stockholm in the present year, the Central Committee of the I.C.A. shows its desire that this very important subject should be further discussed at National and International Co-operative Congresses, in the hope of gradually finding a solution in accordance with the development of conditions.

The Co-operative Movement in its various forms has become so strong, and represents to-day in various countries a factor of such great economic importance, that the assumption of the possibility of setting back the existing private capitalist system of economy and replacing it, in time, by a Co-operative Economic System appears perfectly justified.

The foundations on which the new system of economy, based on the principle of Co-operation, is to be built up exist in many countries in various forms. In some countries the Consumers' Movement, in others the Agricultural Movement, are so far advanced and developed that the two Movements exercise a certain, and in some countries a decisive, influence on the formation of the economic conditions. In view of this fact the assumption is perfectly justified that a rapprochement between the organised consumers and the agricultural producers, united together in Co-operative Organisations, can materially advance the ideal of the Co-operative Movement. It will, however, be necessary to educate both the consumer and the producer in order to make them realise the force, the material and ethical

importance of the co-operative idea, so that in co-operative concentration they will not only see an instrument to gain material advantages for their members united in local Organisations, but will rather aim, by common understanding and collaboration with their fellow Co-operators, to work for the betterment of mankind.

When the economic system collapsed during the war, and when the economic conditions in the various countries were fundamentally changed, the Co-operative Societies, especially the Consumers' Societies, gave proof of the importance which attaches to them as the bearers of a just economic system which works in the interests of the working classes as a whole.

The establishment of mutual economic relations between the Consumers' and the Agricultural Co-operative Societies is becoming more and more an urgent necessity. The private capitalist system has strengthened itself in most countries since the war, and the progressive concentration of capital threatens to destroy or buy up the smaller and weaker businesses and to set up keener competition between the big firms, unless capital prefers to unite in trusts, combines, cartels, etc., which are springing up everywhere and growing stronger and stronger, transforming production and distribution into an inexhaustible source of profit. This economic development is becoming an ever-increasing danger to the workers in general. The State is powerless in face of this economic process, and these trusts and combines can only be held in check by the formation of an organised and general economic system.

Mutual understanding and the establishment of close relations between all the productive workers is a necessity, so that they can show a united front against those who look on production and distribution not as a service in the interests of the people, but as a means of drawing profits for themselves. Something substantial to further the economic and moral progress of mankind can only be attempted when all factors which do not perform some economic and justified function are excluded.

A social economic system will only be possible if all the constructive forces of the people unite for the benefit of the community. The means for the attainment of this object is the Co-operative Society, and the way to reach the goal is the practical union of the workers in town and country to discharge their common duties. Economic demands on the workers for the benefit of the people as a whole will be much more likely to succeed if it is sought to bring about an economic rapprochement between the workers in town and country by means of co-operative relations.

The Co-operative Society is, above all, the form of association of the economically weak. It is the organisation of economic

self-help and the medium for bringing the products of the producer directly to the consumer. By eliminating the profits of the middle-man Co-operation offers a fair price to the producer for his produce, whilst it protects the consumer against fraud and excessive charges in regard to quality and price. The Agricultural Credit Societies and Productive Societies fight against the slavery of interest, credit, usury, and the reduction of the fruits of labour. The Consumers' Society contends against usury in provisions and the reduction in the purchasing power of the consumer. When Credit Societies, Consumers' and Agricultural Societies rightly discharge their duties they all aim at the elimination of the middle-man between the producer and the consumer.

Every form of Co-operative Society contributes, each in its own way, to improve the conditions of labour and the standard of living of its members. The Agricultural Co-operative Societies comprise chiefly the smaller agriculturists, whilst the big land-owners hold aloof. This fact alone shows that the Agricultural Societies are called to represent the interests of labour. They are, therefore, in line with the Consumers' Societies, which aim at procuring the greatest possible real value for the income of their members.

From statistics which we have obtained, to a large extent from the Co-operative Section of the International Labour Office, it is evident that in recent years the number of Co-operative Societies has very considerably increased in nearly every country. Even in those where 15 or 20 years ago Co-operation was only in its beginning the development in some instances is surprising.

Whilst there are only few statistics available in regard to certain countries, it is impossible to submit a comprehensive statement of the Co-operative Movements in the various countries, or the trading relations between the Consumers' and the Agricultural Co-operative Societies.

The incapacity of State organisation to solve the various economic and social questions which have come to the front in the last few decades has inevitably forced the economically oppressed classes to have recourse to self-help. Ever-increasing masses of the people have come to the realisation that in co-operative association is the means to safeguard the economic interests of the poorer classes. As time has passed it has been also shown in increasing measure that the Co-operative System can be applied to all economic functions without distinction, and it is, therefore, called to play a more and more important part in national and international economy. A closer examination of the Co-operative Movement in the various countries reveals the great variety of activities to which the co-operative principle can be applied, and how the individual interests can be united with the collective interests, thereby evoking involuntarily a feeling of solidarity among the members.

Each form of co-operative enterprise pursues its own special aims, but all Co-operative Societies strive alike for the attainment of a common object, namely, to restrict unearned income, establish good relations between labour and capital, and for an equitable distribution of the fruits of labour.

For the workers on the land, in trade and industry, this endeavour does not consist solely in securing for themselves a higher price for their labour, but each worker is deeply interested in the continuity of the economic activities of his fellow workers so as to assure for himself a continued demand for his products. Regulated and organised consumption is, therefore, in the interests of the agricultural and industrial population.

The interests of the agriculturists, the factory and professional worker are only apparently of an opposing character. In reality it is in the interests of the one and the other, if all members of the human family are in a position to lead a decent life and enjoy a reasonable income. Co-operation is the economic system which is able to effect this union of interests. By the purchase in common of all the daily requirements for the house and the family, the Consumers' Societies especially aim at laying the foundation on which co-operative production can be organised and developed.

In many countries the organised consumers are already engaged, to a considerable extent, in the production of foodstuffs and other necessaries for their own use. The productive enterprises of the English C.W.S. are a splendid example. In 1925 this Society was engaged in 40 distinct branches of production, having a total of 100 factories with an output amounting to £27,000,000 sterling.

Agricultural production, on the other hand, has not been taken up so extensively by the Consumers' Societies, although it must be admitted that the English C.W.S. owns large plantations in India and Africa, and that about 170 Consumers' Societies in various parts of England are engaged in agricultural production. Attempts have also been made in other countries, for example, in Switzerland; the Union of Swiss Distributive Societies owns eight estates of various dimensions. By acquiring these properties the Union wanted to gain first-hand knowledge of the management of and the profits derived from agricultural productions.

The experiences of organised consumers in agricultural production in general go to show that it is out of the question to meet their requirements by their own efforts. This is especially true in countries where the land is owned to a large extent by small-holders, and where they depend on the conditions of the soil and the kind of produce which it yields. In various States

in Eastern Europe, especially since the breaking-up of the large territories which was begun after the war, it will be impossible for the Consumers' Societies to engage in agricultural production on a large scale. But this does not exclude the possibility of Consumers' Societies producing part of their requirements, especially fruit and vegetables, where industrial methods of culture can be employed. The Union of Swiss Distributive Societies established and financed the Co-operative Society for the Cultivation of Vegetables, which cultivates 1,700 Jucharten of land, either purchased or leased, which a few years ago was moorland and had first to be drained. By this means the Society prepared large tracts of land for cultivation, gave employment to a number of persons, and performed an eminently useful service.

It must, however, be pointed out that where agriculture is in the hands of small-holders, the population of those countries is generally sympathetic towards the Consumers' Co-operative Movement. Conditions in Denmark, Sweden, Finland, Hungary, and Switzerland go to show that this section of the population is developing into no less faithful a member of the Consumers' Co-operative Movement than the population of the industrial districts.

Nevertheless, it must be recognised that the Consumers' Movement cannot unite all elements which are necessary to build up an international economic system. The preparation and development of this task will only be possible in conjunction with the various forms of Co-operative Organisations, especially the Agricultural and Credit Societies.

The importance of the Consumers' Movement is shown by the fact that the membership of the International Co-operative Alliance consists of 75 Unions or Federations in 34 different countries. The number of Societies affiliated to the Unions is approximately 85,000, and the total individual membership of the Consumers' Societies amounts to about 40,000,000.

The Agricultural Societies in most countries are more numerous than the Consumers' Societies. The Agricultural Societies adapt themselves in the most varied forms to the requirements of the rural population in the different countries. The organisation of the Agricultural Credit Societies, the Sale and Purchase Societies, made it possible for the great mass of the rural populations in a number of countries to free themselves to a certain extent from the oppressive power of private capital and the middleman. It is a signal proof of the great advantages of Co-operation that the productive capacity of the agricultural population of countries is greater where the Agricultural Co-operative Movement is more developed, and that the people enjoy a proportionately higher measure of the fruits of their labour.

Through the Local and National Co-operative Organisation the possibility is given to every agriculturist to make himself acquainted with the advantages of modern working methods and means of production. By the practice of the Co-operative Societies in many localities to pay only according to the grading of the produce the farmer is induced to market only his best productions. This educational influence increases the knowledge of the producer regarding the conditions of the market. He becomes acquainted with the requirements of the consumer, and is urged to adapt his productive activities and capacities accordingly. For this reason the Agricultural Productive and Sale Societies are eminently suited to raise the quality of the agricultural productions.

Co-operative organisation enables the farmer to increase the price of his labour, for he is no longer forced to dispose of his various products at the price which the trader offers him in order to provide himself with the necessary means of existence. In some places the farmer has also the advantage of handing over his goods to a Utilisation Society, or a Storage Society, which advances him a fair amount of money on his goods whilst in storage, and then sells them at the opportune moment. After deducting commission and the costs of storage payment is made to him at the full rate realised by his products. The large Fruit Export Societies of California, the Butter and Egg Export Societies of Denmark, the Cheese Factories and the Co-operative Dairies of Switzerland, etc., are sufficient proof of the task which the Agricultural Sale Societies perform to improve the quality of the goods produced.

In various countries the Agricultural Societies have formed themselves into powerful Unions, either as Central Organisations for the purchase of agricultural requirements or the sale of agricultural productions, or as Special Sale Societies for the disposal of certain products in which the sale may be preceded by a more or less complete transformation. The Federations are the recognised channels for the export of goods for which there is no demand on the national market. It seems, of course, quite natural that these co-operatively collected products should not be disposed of to private middlemen, but should be offered to the Co-operative Wholesale Societies or the Purchase Societies which deal in such goods.

An enquiry instituted by the International Labour Office (Co-operative Section) on the relations between the Agricultural Purchase Societies and the Co-operative Consumers' Societies shows the advantages which accrue both to the consumer and the producer by direct organic relations. The importance which the Agricultural Sale Societies have gained on the world market in regard to certain productions, especially milk and cereals, also meat and eggs, is worthy of special note.

The activities of the Consumers' Societies and their Wholesale Organisations in regard to the importation and distribution of agricultural products depend to a large extent on the local and national conditions of production. In countries where home production is sufficient to meet a great part of the demands of the population the consumers obtain their supplies either directly from the producer, or, if the Consumers' Co-operative Movement has reached a degree of some importance, through the Consumers' Societies or even the Central Purchase Unions. In countries where a large part of the population is organised in the Consumers' Co-operative Societies, and where in consequence the producer has an assured market with a simple and rational system of distribution, the Consumers' Societies are the proper institutions to undertake the sale of the products on behalf of the producer.

The relations between the Consumers' Societies and the Agricultural Societies are not always merely of a casual business character. Frequently they take the form of standing contracts, and have even developed into joint agencies or jointly administered enterprises.

In a report issued by the International Labour Office. Dr. Fauquet, Chief of the Co-operative Section, has formulated the following rules for joint undertakings of Consumers' and Agricultural Co-operative Societies:—

“Certain principles common to Joint Societies already constituted or in process of formation may be distinguished:

“(a) Agricultural Co-operative Societies on the one hand, and Consumers' Co-operative Societies on the other, associate on terms of perfect equality; both parties or groups, consequently, participate equally in providing capital for their common undertaking, and are equally represented at the General Meeting and on all other administrative organs of the Society. Profits are divided equally, each group subsequently distributing them among its members in proportion to the goods delivered or purchased by the latter.

“(b) In dealing with either group, or with members of either group, the joint undertaking acts as an ordinary middleman, buying or selling at market rates. The gross profits thus obtained may be regarded as equivalent to those of an ordinary private middleman. The general expenses of the undertaking are paid out of gross profits, and the net profit, after allowing for contributions to the reserve fund, is distributed to the two parties.

“(c) Joint undertakings may not confine themselves merely to acting as ordinary middlemen, but may also engage in transformation, advertising, and conditioning, in addition

to ordinary buying and selling operations. The manufacturer's gross profit will then come as an addition to the dealer's profit, and will not affect the rules applied in distributing profits.

"It will thus be seen that joint Societies take the place of private middlemen in order to carry out the duties exercised by the latter in the general process of distributing goods, so as to perform these functions with greater technical efficiency, if possible.

"Reference to current market prices, both for buying and selling, is calculated to avoid the difficulties inherent to ordinary business transactions; while joint management by representatives of both parties is based not on a perfect balance of conflicting interests, but on the common interests in reducing general expenses and increasing the technical efficiency of the common undertaking."

In view of the endeavours of the Consumers' and Agricultural Societies, the establishment of mutual relations seems desirable to further their common interests. By the establishment of relations with the Agricultural Societies, the Consumers' Societies will be in a position to extend the basis of their organisation, whilst, by the regular supply of their products to the Consumers' Societies, the Agricultural Societies will have the great advantage of a sure and constant market. In the case of easily perishable goods, as, for example, milk, butter, vegetables, and fruit, the realisation of a profit depends chiefly on a regular and assured market. Whether the sale of agricultural products should be arranged between the producer and the Consumers' Society, or the Agricultural Society and the Consumers' Society, or the Central Unions themselves, is a question of organisation, the solution of which will differ in each country and in each particular case, because of the local and national conditions which will have to be taken into consideration, and because the development of the various forms of Co-operation plays an important part in each country. Reciprocal relations between the Central Organisations and the laying down of definite and appropriate regulations governing business relations are not only desirable but necessary.

Difficulties which prevent Agricultural and Consumers' Societies from arriving at an understanding are due, at times, to a certain amount of competition between the two Organisations, especially in those countries where the Consumers' Societies have extended the sphere of their activities to the sale of agricultural requirements to agriculturists, or where the Agricultural Purchase Societies supply foodstuffs and household articles to their members.

Another question of great importance for the development of Co-operation, and the solution of the matter under consideration,

is the accumulation of capital by reviving individual and collective saving. In many countries there are considerable amounts of workers' savings, which with suitable organisation could be collected and used for co-operative aims. These moneys, which to-day are used in the interests of capitalism, could be applied to the development of co-operative enterprises, especially industrial and agricultural production. They could be concentrated in Local or Central Co-operative Banks, according to the conditions obtaining in the various countries. By the establishment of Joint Co-operative Banks another foundation might be laid for the collaboration between Agricultural and Consumers' Societies.

It should, however, be noted that the Co-operative Societies, notwithstanding their importance, will be in the rearguard in many important questions because they lack organic relations and collaboration. But in many countries legislation has recently been introduced with a view to furthering the Co-operative Movement, and large sums of money have been granted for the development of co-operative activities, especially to Agricultural Co-operative Societies. Many localities still lack an organisation for the discussion of questions which are of common interest to all the Co-operative Societies, especially regarding problems of legislation and of justice. Wherever the various forms of Co-operative Societies are effectively collaborating, they contribute in a far higher degree to the development of Co-operation and the co-operative education of the people, thereby popularising the idea of co-operative unity and co-operative activity among large sections of the population.

It will be seen from the foregoing statements that direct relations between the Consumers' Co-operative Societies and the Agricultural Co-operative Societies are desirable. These relations will be all the more mutually beneficial the stronger the organisations are which establish them.

Such collaboration will be to the advantage and benefit of the whole community, as it will substitute the principle of mutual help and support for the struggle of one against another.

There is, of course, a certain amount of opposition between producer and consumer. Whilst the producer aims at high prices, the consumer endeavours to purchase his requirements at the lowest possible price. The great difficulty lies in the fixing of a price for the delivery of the goods, which, naturally, is not to say that the conclusion of an agreement is an insurmountable obstacle. No one will deny that in some countries the difference of character between the population of the towns and that of the country, as well as their divergence on political and religious subjects, constitute at times a barrier to the realisation of an understanding. Differences of opinion are inevitable, but that

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is no reason why endeavours should not be made to find ways and means to reconcile the apparently conflicting interests. With reciprocal goodwill all the difficulties can be surmounted ; of this the relations already existing are a sufficient proof.

In view of these considerations, I submit to you the following propositions :—

A.

Propositions.

1. Co-operative Organisations of all kinds constitute a powerful support to the economically weak. They are called upon to play a more and more important part in national and world economy by extending the network of their sphere of activities.

2. In distinction to the joint stock companies, which represent merely impersonal forces of capital and contemplate neither self-government nor the satisfaction of the needs of the shareholders, the members of Co-operative Societies are sentient beings, whose individual interests are common to those of the wider circles of the population, more or less extended, a condition which quite naturally arouses amongst the members sentiments of mutuality and fraternity.

3. Thanks to the similarity of the laws which regulate their inception and growth, their methods and administrative principles, the Co-operative Societies, in spite of the diversity of their fields of operation, pursue similar objects and exhibit the manifest tendency to embrace continually extending popular circles in the sphere of their influence.

4. Everywhere, in the towns as in the country, Co-operative Societies have taken deep root in the domains of production, exchange, the distribution of goods, and the collection of capital. Considered as a whole, they have already become a remarkable tree, whose trunk, branches, and twigs constitute a homogeneous whole.

5. Consumers' Societies of every description, in the widest sense of the term, aim at supplying the needs of the family by the purchase in common of food, clothing, habitation, water, and light, while making timely provision against sickness, emergencies, and death. Here and there they develop into co-operative colonies in the widest sense of the term, establish their own productive works, or enter into relations with similar organisations on more or less strictly co-operative lines.

6. Agricultural production cannot, however, be undertaken by Consumers' Co-operative Societies on a large scale. Rather will it be necessary, in this domain, for them to assume new forms of co-operative organisation by adapting themselves to the immediate needs, the methods of work, and forms of ownership of the respective economic systems.

7. The organisation of production and the utilisation of the produce of the soil is, as a rule, within the natural sphere of the Agricultural Societies. With a view to the realisation of various objects which are the result of the evolution of national and world economy in general, the organic development of agricultural production, adapted to the needs and requirements of modern economy, induces agriculturists to organise themselves co-operatively and to establish various kinds of Co-operative Associations, notably Co-operative Societies for the sale and utilisation of their products. These Agricultural Societies must, as far as possible, conduct their business through the Wholesale Organisations of the Consumers' Societies. For the sale and utilisation of agricultural products special Organisations might also be established, in which the Consumers' and Agricultural Societies would participate.

8. Consumers' and Agricultural Societies, on the other hand, strive to attain a common object—to restrict unearned income, amass their own capital, settle the differences between capital and labour in their own spheres, establish a mutual exchange of commodities, and bring about a more equitable distribution of the fruits of labour and economy.

9. The world war and its consequences have revealed to the people in the clearest possible manner the disastrous effects of the private capitalist system on the economic life of the nation. They have taught the masses the necessity of collective organic economy, which in fact is shown by the more rapid development of the Co-operative Movement in general.

10. One of the most important signs is the strong tendency towards the formation of co-operative capital, either for the organisation of the small economic capital or the revival of individual and collective saving. This signifies nothing less than the beginning of a co-operative process of the formation of co-operative capital, extending itself to the great mass of the people; on the other hand, strengthening the sentiment of independent responsibility and the desire for self-government, which in turn will awaken and increase the understanding of the need of co-operative education.

11. These high common aims demonstrate that the two forms of Co-operative Society, Consumers' and Agricultural, whatever may be the particular objects that they pursue, have to defend a whole series of interests of the same character—even common interests—which extend to the regulation of internal questions, notably the propagation of true co-operative principles, as well as to the influence to be exercised upon legislation, administration, and justice.

12. The establishment of reciprocal relations between the Consumers' and Agricultural Co-operative Societies is, therefore, in

the interests of both these forms of Co-operation, and just as closer relations are conducive to the opening of the way to the progressive formation of an organic collective economy, so, without doubt, they will contribute in a large measure to soften the contrasts between town and country.

B.

In view of the foregoing propositions, the I.C.A. recommends the Consumers' and Agricultural Co-operative Societies to establish closer mutual relations and to consider the following programme :—

Programme.

(a) The exchange and trading relations between the Agricultural and Consumers' Co-operative Societies shall be further developed.

(b) Both the Consumers' and the Agricultural Societies shall so arrange their administration that the products which they offer shall bear a minimum charge for expenses.

In observing this principle, and whilst maintaining their capacity to compete with private enterprises, the Consumers' Societies will be able to pay a just price to the Agricultural Societies for their products.

The Agricultural Societies should be in a position, by simple and economical administration, on the one hand to obtain advantages to the individual producers, and, on the other hand, to offer their products to Consumers' Societies at competitive prices.

(c) For the attainment of special economic objects, mixed committees or undertakings jointly administered shall be established, where such a procedure is considered suitable for any country.

(d) The sense of co-operative saving shall be revived and continually encouraged. By the development of co-operative banking relations and the eventual establishment of General Co-operative Banks, the Consumers' and Agricultural Co-operative Societies can render themselves independent of private capitalist banks, and the savings of the people can be utilised to strengthen and further the development of the Co-operative Movement.

(e) The establishment of joint institutions of education and co-operative instruction shall also be recommended and encouraged in as far as the conditions of the country will permit.

(f) Endeavours shall be made in every country to secure the triumph of the co-operative idea in the sense of a united

community that will safeguard the interests of all and be based on mutuality and co-operative self-help.

(g) Efforts towards the foundation of new Co-operative Societies, to the expansion of existing ones, and to the propagation of true co-operative principles shall be encouraged.

(h) The two forms of association shall jointly defend the cause of the Societies in matters of legislation, administration, and justice.

Resolution.

"The Congress notes the Report on 'The Relations between Consumers' and Agricultural Co-operative Societies,' also the propositions and programme which it includes, and desires the Executive of the International Co-operative Alliance to continue to give their attention to these problems, and to take such measures for their solution as may seem desirable."

DISCUSSION ON MR. JAEGGI'S PAPER.

Mr. B. JAEGGI (Switzerland): The Central Committee of the International Co-operative Alliance honoured me with the invitation to prepare a report on the relations of the Consumers' Societies to the Agricultural Co-operative Societies for the Stockholm Congress, to which I gladly acceded. My paper is before you in print, and I assume that you have read it. It would not be economising time if I were to make any lengthy statements on the printed paper, I will, therefore, amplify a few outstanding points.

The International Co-operative Congress has several times discussed relations with Agricultural Co-operative Societies. The future development of the Co-operative Movement very largely depends on the business relations between the Agricultural and Consumers' Co-operative Societies. The conditions in the various countries being what they are it will be difficult for the Consumers' Societies alone to transform the existing private capitalist organisation into a common collective enterprise. On the other hand, it seems possible that the various kinds of co-operative organisations will unite and, by and by, form an economic organism in the sense of a commonwealth. The relations between the Consumers' Societies and the Agricultural Co-operative Societies cannot develop along fixed lines because the conditions vary from country to country and the Co-operative Movement must adapt itself to the customs of each. In districts where the Consumers' Societies can enter into direct business relations with the agricultural producers the medium of an Agricultural Co-operative Society is, of course, not necessary. In some countries direct relations between the Consumers' Societies and the Agriculturalists will be possible. In other countries

Agricultural Co-operation is highly developed so that relations between the Consumers' and Agricultural Co-operative Societies become necessary. In this, as in all other questions, it would be wrong to lay down rigid lines of action. Co-operative Societies must progress on practical lines in order to achieve what is in the interests of the whole and also what conduces to the realisation of the co-operative idea. I have included in my paper the policy that the International Co-operative Alliance has hitherto advanced and have expressed general views on the establishment of relations between the Consumers' and Agricultural Co-operative Societies. Even though the Agricultural Co-operative Societies do not pursue the same aims as the Consumers' Societies, and in view of the fact that they strive for high prices and may even be considered to act, to some extent, in opposition to the Consumers, they, nevertheless, endeavour to improve the position of a large section of the working population.

In the second part I have laid down a number of theses which are not detailed but contain only general principles.

The third part contains some recommendations which are worthy of a closer examination and should be carried into effect in the various countries.

At the end of my paper you will find the text of a resolution which I propose for your consideration and adoption.

The Congress need not discuss my paper, theses or recommendations point by point. It has only to take note of them and request the leading authorities of the I.C.A. to take what action may be necessary in the interests of the question. In my opinion, every co-operator can agree to my resolution. In discussing anew the question of the relations between the Consumers' Societies and the Agricultural Co-operative Societies the International Co-operative Alliance is not alone. The Congress of the International Chambers of Commerce which was held in Stockholm this year discussed the question of closer contact with agriculture. Town and country must be brought closer together. The Co-operative Movement is the means by which this desirable result may be gradually realised. Producers and industrial workers throughout the world must be brought into contact with each other in the Co-operative Society. Great misunderstandings will then be removed and unity, which is essential to Co-operation, will be achieved. Such a step will also be conducive to the maintenance of peace in the various countries. It therefore gives me pleasure to propose the resolution.

Mrs. E. FREUNDLICH (Austria): It is less my intention to speak on the paper itself, than to suggest that, as an International Congress, it is necessary that we should fulfil a duty of thanks. You are aware that few have had such opportunities as Mr. Oerne and myself to appreciate the great work which the International Labour Office, especially its Co-operative Section, has performed for the

preparation of the World Economic Conference and for our delegation at Geneva. I would, therefore, like to take this opportunity as we are discussing the question which was the centre of discussion at the World Economic Conference, to thank the Director of the International Labour Office, Mr. Albert Thomas, and the chief of its Co-operative Section, Dr. Fauquet, for their exceedingly willing and ready collaboration. You will know, at least to some extent, the invaluable and interesting work which this Section of the International Labour Office has performed in order to show to the World Economic Conference the tasks which the Co-operative Movement is able to fulfil in World Economy. I think that we can all say that the material collected and embodied in the two memoranda submitted by the International Labour Office was of enormous importance in making the Conference realise the greatness of the Co-operative Movement. I can assure you that the representatives of the various groups have gained a great amount of knowledge from these memoranda and that, in part at least, it is due to them that the World Economic Conference accepted a resolution differently worded but in principle the same as the one which is now submitted to this International Co-operative Congress.

With regard to the question which is under discussion, I am in full agreement with Mr. Jaeggi that this question has a different aspect in every country, because the social and economic traditions differ very widely, and even if we speak of great communities like Austria and Germany, the customs of one country differ materially from those of the other. But that which seems to us of special importance and upon which we can congratulate the International Co-operative Movement is this, that we can ask all National Organisations to attempt a practical solution of this question. I always feel that an International Congress is, if you will allow me to use the expression, nothing else than a dig in the ribs in order to draw the attention of the National Movements to what they may apply themselves and where they may develop their new energies.

I would also like to point out that the resolution adopted by the World Economic Conference recommends that in each country a special commission shall be instituted consisting of representatives of the Agricultural and Consumers' Co-operative Societies whose duty it will be to find practical means that will make it possible to carry out the theoretical resolutions of the World Economic Conference and of our own International Co-operative Congress. I believe that we shall find a vast field for our future activities, and I hope that we will not forget the resolution, but that we shall make use of the weapon which the co-operators have forged in Geneva, and that in all countries Commissions will be set up which will help to carry through the practical work laid down in our resolutions.

Professor V. TOTOMIANTZ (Committee of Honour) : In the absence of a Co-operative Organisation in town and country, as is the case

in North America, the farmers receive only 8 milliard from a turnover of 15 milliards in agricultural products which they supply to the towns, whilst the various intermediaries pocket 7 milliards. This is the case in a country which capitalistically is highly centralised under a so-called rational system of economy. Not only in America, but also in other countries we see the weakness of co-operative organisation and unity. In fact one can say that in many countries there is no unity at all. Germany and Switzerland, however, have done something in this respect which is very interesting. Thanks to the wise tactics of the Central Union of German Distributive Societies, a Committee has been formed in Germany on which all the big Co-operative Unions are represented. In Switzerland also there has been a linking-up of the various kinds of Co-operative Organisations and endeavours made towards the establishment of one Co-operative Society. It is also said that something in this direction has been achieved in Sweden, but I am not well enough acquainted with the conditions in Sweden to be able to make a statement. On the whole, however, very little has been achieved.

Formerly we had among our members some big Co-operative Unions, but these we have no longer. The largest Agricultural Co-operative Unions, like the Imperial Union of German Agricultural Societies, the General Union of Raiffeisen and Credit Societies and other Unions in France, Austria, Holland, Belgium, Italy, and Yugo-Slavia, are not members of the Alliance. Our membership in this respect is one-sided. If a Commission, such as the one suggested by Mrs. Freundlich, is to be set up, then we must first of all win back these members which have withdrawn, and recruit the other big Agricultural Unions, which are still outside the Alliance. This is our principal duty if we want to solve the problem or at least contribute to its solution. Our civilisation is one-sided; it is technical and capitalistic. The question now is the establishment of new agricultural civilisation, which is a very difficult task, and can perhaps only be effected by the workers' and peasants' Co-operative Organisations of all countries, and by the creation of unity between the urban consumer and the agricultural producer. The establishment of an agricultural civilisation as a counterpart of the urban civilisation is the great task in front of us.

The PRESIDENT: I have received a proposition, supported by the Congress Committee, that the discussion be closed. There are still on my list three names of delegates desiring to speak. If the Congress agrees we will first hear those three delegates before calling upon Mr. Jaeggi to reply.

The Congress agreed to that course.

Mr. HACKEL (Czecho-Slovakia): The question which Mr. Jaeggi has put before us is of very great importance. It is not only of a purely co-operative but of a general and cultural character.

In a small country like Czecho-Slovakia, both agriculture and industry are highly developed. There is opposition between the two, and the antagonism between town and country has become so acute during and since the war that it is the duty of our Co-operative Organisation to remove it. Mr. Jaeggi, in his paper, laid down principles and theses, the correctness of which we all admit without underestimating the difficulties that will beset us in carrying them out. There is always a difference between theory and practice. The cause of this difficulty lies to a great extent in the insufficiency of the human element, and perhaps, also, in the absence of reciprocal forbearance. It is frequently stated that in their business transactions with the Consumers' Societies the Agricultural Societies charge higher prices for their products than the private traders, a fact which cannot be denied and is an obstacle to the development of closer relations, and must be overcome. We must admit from experience that agricultural products produced by "mother earth" and the sun have become in the course of years the object of a system which has arrived at a state of perfection which must be ungrudgingly recognised as rational. These products are the object of speculation on the markets of Europe and America, and the language of Europe and New York is so honest that honest man cannot understand it, when, under the cloak of science, the necessities of life are presented as a kind of inner economic law of the world. It is the duty of the Agricultural and Consumers' Co-operative Organisations to eliminate the system which has forced itself between the producer and the consumer and which permits superabundance on the one side while it allows men to die of hunger on the other. Our Congresses must devise means to achieve this end. The various national organisations have to lay the foundations to bring about mutual understanding and closer relations. This will be all the more easy to achieve if there is goodwill on both sides. Their political attitudes may differ, but the urban consumers must not see in every farmer an agricultural usurer, and the farmer must realise that the urban consumer is a highly cultured factor.

Professor Totomiantz expressed the wish, which unfortunately is not yet realised, that the Co-operative Unions of every kind should be brought into our Central Organisation of international co-operative life. Let us hope that the time will come when it will be possible for our Co-operative Organisations to form the basis for the establishment of an understanding between the various trades and professions, when all will realise that the earth and sun are destined to provide mankind with the necessities of life, free from worry, poverty, and misery.

Professor N. L. MESTCHERIAKOFF (Russia): The Russian delegation is not in complete agreement with Mr. Jaeggi's paper. In our opinion this document contains an error in that its author proposes a common resolution for all countries, while we consider

it absolutely necessary to make some distinctions. The character of Co-operation as a whole, and of Agricultural Co-operation in particular, is very differently manifested in capitalist and sovietic countries. In capitalist countries it is the big capitalist organisations, banks, syndicates, trusts, etc., which exercise a tremendous influence on Co-operation, and especially on Agricultural Co-operation. Let us take an example: The Agricultural Co-operative Societies of Canada, called "pools," have a capital of about 3,000,000 dollars and their sales amount, approximately, to 35,000,000 dollars per annum. How do they work? With the help of banks, whose tools they thus become and which inspire the trend of their policy. One, therefore, understands how it is that, urged on by the banks, Agricultural Co-operative Societies, which submit to such a régime, impose excessive prices on the market.

Let us see what happens in Sovietic countries. In them there is no capital, no socialist banks, but a workers' and peasants' Government which lays upon Co-operative Societies the task of construction—a state of affairs eminently suitable for the solution contemplated by Mr. Jaeggi. Let us now suppose that in a capitalist country we establish very close relations between agricultural and consumers' co-operative societies. The question immediately arises: What is behind these agricultural societies? Capital and financiers. In other words, such a union between co-operators and agricultural syndicates would be, in reality, a union between co-operators and exploiters. No, the question must not be solved in this way. Financial capital exploits not only the worker but also the poor peasant. It is against capital, against trusts, against syndicates that we must fight. That is the solution of this problem which is an acute one in capitalist countries, and the solution which we propose to this Congress.

Sir THOMAS ALLEN (Great Britain): Mrs. Freundlich has referred to the Geneva Economic Conference being interested in this subject, but what I want to claim is that we have our own specific work to do in this direction that cannot be delegated to any other institution, and the resolution of Mr. Jaeggi calls on the International Co-operative Alliance to do it. Hitherto, both in our national and international work, emphasis has been laid on the consumers' side of co-operation, but my own view is that, in the future, we shall have to lay emphasis on the agricultural side. Our work is no longer to look upon this as a piece of theory, but to find how we can best harness our Consumers' Societies for the furtherance of co-operation in agriculture; and when the Alliance, if this resolution is passed, settles down to this problem, we shall have a piece of intricate work not hitherto undertaken and very little understood by the Co-operative Movement up to the present time. We shall have to consider three or four specific things: First of all, agriculturalists cannot bring their commodities to the market at all, except in a very few instances, unless some financial arrangement

is arrived at with some other body or authority. The problem of Consumers' Societies is how far they can assist the primary producer to bring his commodity to the market, because, as the Agricultural Societies grow, the people who are going to get the produce are those who can offer financial assistance to the producer. Therefore, the committee examining this work will have to take into consideration, first of all, the problem of the ability of the Consumers' Society to finance the Agricultural Society in the marketing of the produce. The second point, when it comes to the question of how far the Consumers' Society can assist the agricultural producer who cannot bring his product to the market, is with respect to shipping, insurance, and all the other essentials to bringing his commodity to the market. That is a problem also that will have to be taken into consideration. But there is another and a more serious problem than any of these: my own fear is that we shall discover when the agricultural producer is organised co-operatively for the purpose of marketing products before we as consumers are organised properly for the sale of his commodities, that we have considerable work to do to educate ourselves, nationally, to the necessity of receiving the commodity produced or co-operatively organised on the market. Unless we can, through our consumers' societies, take the products of the co-operatively organised producers, they must naturally and automatically fall into the hands of private people who can bring them to the market. There is another aspect of the work which the International Co-operative Alliance will have to undertake if right relationships are to be established between consumers and agricultural producers. There is a general fear abroad amongst Consumers' Societies that these agricultural organisations now springing up and forming themselves into wheat pools and having general control of commodities will be prejudicial to the interest of the consumer. My own view is that, if we settle down to consider the matter wisely, there need not be any form of antagonism between the two; but the problem will have to be very delicately considered in all its bearings and details. In the ultimate, the problem of the producer and consumer is one; but there is an attitude of mind at the moment which thinks that one is prejudicial to the other, and the Alliance will have considerable work to do, both from the producers' point of view and the consumers', before we can arrive at the right solution of this problem.

Mr. ELEMÉR DE BALOGH (Hungary): Before explaining my standpoint in connection with the proposition of Mr. Jaeggi may I be allowed, briefly, to inform the Congress of the way this question has been settled in Hungary? In supplying the consumers with foodstuffs the urban population only comes into consideration, as the State being agricultural the rural population supply themselves. The Village Societies belonging to the Hangya obtain the necessary supplies from their members, which was the chief reason for organising the Industrial Societies first. Turning aside from the

co-operative examples abroad, we have founded for this purpose the Hangya Industry Company, Limited, the greater part of the share capital of which belongs to the Hangya Wholesale. The remainder has been placed with our Societies and their members. We have also introduced the shares to the Stock Exchange in order to regulate their market price, with the result that our members willingly buy these shares and that the raising of capital is also secured. This limited company comprises the following works: Soap, match, broom, brush, and chemical factories, distillery, and a steam flour-mill with a daily output of ten truckloads. The Management is identical with the Hangya Wholesale Society's Management, and this is the substance of the whole conception. By this means the Wholesale is able to control the limited company and decide the kind, quality, and price of the merchandise which shall be produced. Since the majority of the shares belong to the Wholesale, and the management is identical, the danger of otherwise natural conflicts between the two institutions is prevented. If the direction were not in the same hand divergent interests would make their way into the two undertakings, i.e., the Hangya Wholesale might eventually buy more cheaply elsewhere and the Limited Company might sell its products to strangers for a higher price. There is another advantage, however, arising out of the productive works having been formed into a Limited Company. They are not forced to produce for and to sell to their members only, but can sell—naturally at a higher price—to the trade and can also export. The overhead cost of production has been rendered cheaper thereby, and the Limited Company can quote lower prices to the Hangya than it could if producing only for the Wholesale Society. By this means both undertakings find their financial equilibrium and, moreover, the fullest harmony is secured between them.

Similarly—though less ideally—the problem of the marketing of grain, wool, and feathers is solved. For this purpose the “Hangya,” together with the Central Co-operative Society of Credit, has also established a separate Limited Company, the “Futura.” The share capital of this belongs half to the Hangya and half to the above-mentioned Credit Society. These shares, however, are not introduced on the Stock Exchange and are not in circulation. Both of the Central Institutions organise their Societies and exert their influence upon them to sell the products of grain, wool, and feathers gathered from their members to the “Futura,” which, having standardised them, exports the products, as better prices can be obtained abroad. The Hangya is forced to endure this proceeding, as it is not the sole master of the Company, and the other institution not being a consumers' association is only concerned in its profit. It happens, for instance, that the flour-mill of the Hangya Industry cannot buy corn from the “Futura,” but obtains the same cheaper from the farmer. On the other hand, the “Futura” does not sell to the Hangya if a higher price can be

obtained abroad. The "Futura," therefore, only represents the partial solution of the problem, because in selling the products of the Hungarian producers it does not establish regular and direct relations with the Hungarian consumer. This example also proves the fact that if two different Associations deal with the production, viz., the collection of the products, on the one hand, and with the consumption on the other, without their Management being identical, the task of my esteemed friend Mr. Jaeggi—to bring the consumer into direct contact with the producer—is very difficult to attain, as the Productive Societies often find better buyers for their products and the Consumers' Societies cheaper sources to cover their needs.

From the Hungarian example the following conclusions can be drawn :—

The bringing into contact of producer and consumer by way of two different Co-operative Societies can be successful if a strong mutual interest exists between them and if they are controlled by the same management. If not, they turn in different directions and will very seldom meet. This is valid for States such as Hungary, which exports agricultural products, for we always find when organising production and sale that the organisation immediately makes preparations for export because better prices are obtainable abroad. Even in countries which import agricultural products a close personal and financial relation must be established between the two organisations, in the absence of which neither can rely upon the other.

With these points in mind I can only recommend to the big Co-operative Wholesales either to establish and organise productive works in order to supply themselves with their own products, or— if they create separate Co-operative Societies for this purpose—to bring them into the closest financial and personal relation with their Wholesales.

The thesis of Mr. Jaeggi is a wonderful elaboration and deals with the question in every detail, on which I can only congratulate him in the name of the Hungarian Co-operators.

Mr. B. JAEGGI, in reply to the discussion, said : I thank you for giving the paper which I have submitted to the Congress such a good reception. It is, of course, quite impossible to enter into details to-day. I would, however, observe that the relations between the Agricultural and Consumers' Co-operative Societies will be a question of very great importance, not only during the next few years or decades, but for centuries. I am fully aware of the difficulties which will hinder its realisation, and am convinced that it will be a long time before all obstacles are removed. I also appreciate the difference between the so-called capitalist state and the socialist state, as it exists in Russia. We have often heard that there is a difference between them, but, in my opinion, the distinction between them is not very clearly established to-day. It is said that the Co-operative

Societies in capitalist countries are obliged to appeal to capital, but that this is not the case in Russia. I am not sure that the resources of capitalist States are not gladly accepted to-day in Russia to bring about this result. If we want to realise the ideals of the Co-operative Movement in the larger States and, indeed, in the greater part of the world, then it is necessary that the peasants and workers, in the widest sense of the word, should unite and come to an understanding in order to transform the present system of private capitalist economy into that of the common-weal. In this sense I ask you to adopt my resolution.

The PRESIDENT: Before proceeding to take the vote on the resolution I believe I shall interpret the wishes of the whole Congress in thanking Mr. Jaeggi for his admirable paper, the influence of which will be widely felt, not only in the Co-operative Movement but also outside it. We know, in fact, that all his conclusions have already been accepted by the Economic Conference at Geneva, and that honour reflects on the International Co-operative Alliance as a whole.

The thanks of the Congress were given by acclamation.

The President then put to the vote the resolution which appears at the end of Mr. Jaeggi's paper, and it was adopted without opposition.

II.

Problems of Modern Co-operation.By **ALBIN JOHANSSON**

(Director of the Swedish C.W.S. and Union).

IN COLLABORATION WITH **ANDERS HEDBERG.**

The title of this essay is so comprehensive that practically all the problems are covered thereby that are encountered by any who will discuss even the organisation of trade and industry generally; let alone those special problems peculiar to the Co-operative Movement.

The development of Co-operation having reached very different stages in the various countries no one particular problem can very well be selected as being, at the moment, equally acute everywhere. For example, just now in Britain the Instalment System and C.O.D. are creating problems of absorbing interest. In Italy the independence itself of Co-operation is the question of the hour. In France, Belgium, and a number of other countries difficulties of finance from fluctuating values assume the foremost place. And in America, where chain stores have attained an extent not approached in Europe, that form of organisation should be well worth the close attention and study of co-operators.

Common, however, to all is the feature that their problems revolve round the possibilities of improving the lot of the consumer. This will follow only on the institution by co-operation of a wiser and more practical organisation of trade and business than private enterprise presents. Should Co-operation fail in this aim, and the palm for superiority remain with the private trade, the Movement ceases to make headway. In those countries where private enterprise gives the public comparative satisfaction Co-operation has less opportunity of proving its advantages to consumers than where a general indifference and deterioration have sapped and corroded business life, and where prices are immune from competition and are regulated by combine agreements which have encouraged or preserved ancient and uneconomic methods and extravagant trading systems.

The more advantageously Co-operation is organised the greater are its possibilities of service to the consumer, and consequently the more justified is the Movement. A Co-operative Society carelessly or badly managed, and inferior to its non-co-operative competitors in business methods and skilful use of capital, injures rather than benefits the consumer. Better there were no co-operative store at all than one run on foolish and inefficient lines. Modern Co-operation indeed must excel those it would supplant in the economical production and distribution of commodities.

Where Co-operation has made most progress we shall find the reason of its success in its superior methods and its better and more profitable employment of capital and labour.

All of us whom co-operative problems affect must seek such solutions thereto as will help to make and keep Co-operation in the van of efficiency as a form of organisation. We have the firm foundations of Rochdale Principles on which to build, but we must not become doctrinaire, ceasing to look any further afield in the belief that these have once and for all given the final word and answer. We must stand ever ready ourselves to examine and criticise all or any of our methods and principles.

The fact that we, Co-operators, hold open our doors that all may enter gives us one distinct advantage over the private trade. Especially for the small nations is this of vital importance, and to them this ready welcome has been of signal benefit generally. Quite probably the continued progress of Co-operation the world over has been due—and will in future be even more due—to that same policy of the "open door," and will also be much more rapid on that account. All that is asked is acceptance of the hospitality for which Co-operation stands. If this valuable mutual advantage is, in turn, utilised by co-operative enterprises, the wealth of initiative and virility to be found so abundantly in certain areas and sections of the Movement will be available and applied elsewhere, and Co-operation, by means of effective organisation and sound business methods, will create new possibilities of success and economic superiority over those concerns that operate behind closed doors in secrecy and suspicion, and restricted severely to their own resources.

To the ordinary industrial or commercial firm, success, of any kind or degree, is a privilege to be wrapped, as all know, in stealthy reticence and to be dissembled even to nearest friends. There are no such mysteries in Co-operation, and the consumers organised therein are saved from any necessity of paying the tribute which the proprietors of a business secret can demand of their patrons.

But for the obstacles that difficulties of language and distance interpose, the exchange of experiences among co-operative experts would have been much more general and intimate, and the Movement would certainly have had even greater expansion to show than to-day it boasts.

There are, however, many human weaknesses, too, that impede a free and profitable exchange of opinions, as, for instance, the national peculiarities of the different co-operative leaders, professional pride, and nationalism itself. We will not always admit that we have anything to learn from others, especially from foreigners, and we all are quite sure we are born teachers. Thus the British, perhaps rightly, may consider that

Transparency
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they have solved their co-operative problems in so complete and satisfactory a manner that nothing remains for other peoples but to follow in their footsteps. The Germans, in their thoroughness, may also very well imagine that their methods should serve as exclusive models, and we here, in the North, who have gleaned most of our knowledge of Co-operation from both Britain and Germany, believe that we, too, have something to show worth investigation, notwithstanding that our Co-operation is more a copy than an original. Grave danger ensues if we one and all become convinced that we have no use for the experience and experiments of others, which, therefore, we totally ignore, relying entirely on ourselves and our own observation and experience.

The first and most important co-operative problem of modern times relates to the manner in which the Rochdale programme should be applied and construed in our days. The following argument will, therefore, be devoted principally to an examination of that programme. We shall endeavour to show that many of those admirable Rochdale rules are not always observed with the necessary care and precision, and that certain of them need, perhaps, to be somewhat modified to meet the altered times and the vaster extent of the Co-operation of to-day.

Before we proceed to discuss the practical programme of the Rochdale Weavers, a few words may usefully be given to the provisions that define the government and constitution of Co-operation. This consists of little more than the single rule that every member shall have one vote and only one. That phrase seems clear and simple enough, but with the dimensions the Movement has now attained there appears actually a problem here, first, to afford every member an opportunity to exert his influence effectively, and then to ensure that leaders shall be expert in business and not merely pleasing orators. We can scarcely imagine now a Movement consisting of Societies so small that all the members of each can foregather in one and the same hall and decide the affairs of their Society in common. Such an organisation to-day would be uneconomic and would retard the progress of Co-operation, for we can entertain no doubt that most benefit is reaped when every natural trading area is served by only one Co-operative Society.

If this principle be observed the membership in many Societies will amount to several thousands. In Societies of that size quite obviously the members cannot all be assembled in one and the same meeting place, nor can they have a sufficient knowledge of one another to be able wisely to choose managers and leaders. The membership must, therefore, be divided into various groups, each by itself deliberating the business of the Society. These sections cannot, of course, appoint the business management, but members ought at these meetings or by direct election to

choose representatives who shall resolve and decide on behalf of all. The representatives thus chosen may in a very large Society form the statutory annual meeting, which then in its turn selects a smaller Committee, whose duty will be to appoint the professional management for the Society. Election of the business chiefs in a large general meeting, which is called only once or twice in the year, is not satisfactory because a risk is run that candidates may be favoured for reasons far removed from business qualifications for their office. Instead the principals should be appointed by a Committee, which will have opportunity to follow and examine the actual management and so to learn its requirements, and would, should occasion arise, be able immediately and without unnecessary disturbance to dismiss offending or inefficient heads.

sp The members' representatives should not, even collectively, attempt themselves to direct and manage the business, but should, in the manner just described, appoint experts for that purpose. They should limit themselves to formulating and correcting policy and controlling those who are to manage the Society's affairs.

The form which that management should assume will depend in each case on the amount of trade being done and on established practice. But each Society that has an elective system on the lines described must, however, strive to get the members and their institutions to take an active part in the discussion of the Society's business as possible without obstructing the machine. Not for Parliamentary or general treatment is the question, for example, as to how in minute detail a co-operative factory or store should be conducted; the parliamentary function is to select the person or persons who shall manage the concern and then to control or supervise them as effectively as may be.

The precept "one member one vote" bequeathed us by the Pioneers involves in our days many serious problems which, so far, we have merely indicated. This point requires unremitting examination, thought, experiment, and exchange of experiences. A constitution is needed which will give even the big Co-operative a democratic management, not merely in name but in fact, and will promote knowledge of the Movement and real efficiency to the discomfiture of the futile amateur chatterer. This item is of so much importance to Co-operation that it should be taken up as a special problem at an International Co-operative Congress.

Let us now, in the light of modern conditions, examine several other of the rules in the programme of the Rochdale Pioneers. We read that the capital was to be of their own providing and was to bear a fixed rate of interest; only the purest provisions procurable were to be sold, and at current prices; any surplus

resulting was to be divided according to purchases; and funds were to be accumulated for the extension of their activities.

All this part of the Rochdale programme forms a particularly well-conceived financial scheme for a business undertaking from which it appears that efforts and resources were not to be applied to purposes other than those for which the Organisation was founded, and, further, that the undertaking was to be kept carefully independent, financially, of outsiders, relying only on the sinews provided by the members by means of their share contributions and purchases.

Own Capital.

In the opinion of the Rochdale Pioneers the members should themselves subscribe the capital necessary for the trade, and, as history relates, true to their teaching, the 28 weavers collected 2d. a week until they had a capital of some £28, when goods were bought to that amount and sold at current prices to themselves. Thus their very first sales produced at once an increase of their capital by a sum corresponding to the difference between the purchase price of the goods and their sale price, less expenses. The capital resources of the Society rose accordingly with every sale that was effected.

If the weavers, instead of adopting a system of themselves providing the capital and then buying and selling for cash, had bought their goods on credit, they would not have been compelled, as they actually were, to content themselves with a very small stock of goods. Rather, they would probably have acquired a huge quantity from manufacturers or wholesalers of such articles as the members might be expected to want. The consequence would have been that the merchandise would have lain longer upon the shelves, which in turn would have involved increased expenses for interest on the capital thus invested and for storage, and, further, all the risks would have been incurred that always attend a nominal ownership of a stock of goods. But the weavers were, fortunately, prudent enough to procure and use their own capital and to recognise the wisdom of refusing to take or give credit.

To understand and appreciate this rule aright let us consider the position in the households of the poor. If these are to be well and discreetly managed, each mother must not seek to cram her cupboard with all the eatables she can persuade her grocer or another grocer to supply; she should keep on hand only what is quite and soon necessary. If ten or a hundred combine to carry on a Co-operative Society the same applies collectively as individually; most benefit will accrue from a stock as small as is reasonably possible, which therefore can be turned over with the greatest rapidity.

As a rule, all fully agree with the Rochdale Pioneers when the theory and aims of Co-operation are under discussion, but in practice, unfortunately, these rules are too often broken, and more especially is the injunction to buy for ready money often forgotten. Not all have yet learned to see how necessary this is and how remunerative in the long run is adherence to the Rochdale programme even on this point. If, for example, a Society with several hundred members tries to stock all the goods for which these members can conceivably ask, and if the Society has obtained its supplies, not with the help of capital provided by the members, but with the help of credit from the merchants supplying, the results of such a Society will often depend on factors over which the management of the Society can exercise no control whatever. The credit buyer easily falls a victim to the common but fallacious idea that the larger and more varied the stock he carries the better can he serve his customers. To that end, then, he endeavours to lay in all that his most fastidious and purse-proud clients may desire. But he may err, and his blunder be very costly. He may fail correctly to interpret his members' wishes and wants; his purchases may be left on the shelves to lose much of their value.

We should bear always in mind that the well-assorted stock that is got on credit is not supplied from any charitable or benevolent motive. In every case the whole expense accruing from excessive stocks will fall to be borne by the members, and if they, as generally is the case, chance to be poor, they cannot afford, any more than in their own household, an accumulation of goods in stock in the vague hope that they may be needed in their several households. Much more appropriate would be instead a moderate stock of only such goods as are in daily demand and use, and which, therefore, carry no heavy or extraordinary expense in interest, management, or otherwise. But the members of our Societies do not always grasp this; they believe in their ignorance that the Society serves them best when it takes credit from the suppliers in order to maintain a generous assortment, so that they themselves can avoid going to the private trader to buy. They do not see how uneconomic such an arrangement is. Our aim should be not to build up a Co-operative Society that sells everything and is financially reckless, but one that cheapens the merchandising of goods. Rather than require their Society to carry all manner of wares, although collectively as a Society they cannot afford to pay for what they thus order, members should purchase from the private trader such articles as their Society cannot afford to stock.

Just how necessary for the success of Co-operation is absolute freedom of local Societies from any such credit entanglement may perhaps most easily be understood with reference to their relation to their own Wholesale. We will take an actual example.

At one time conditions in Swedish Co-operation were such that only a very few Societies could make use of their own Wholesale ; their need of credit was to clamant. If the Societies in existence twenty years ago had been allowed by K.F.* the credit they needed for their business, K.F. could certainly not have continued its own trade, but would long since have foundered. In its first year of activity—1904—K.F. gave three months' credit, but in 1908 was compelled in self-protection to cut that down to thirty days. To-day its terms are cash.

For many years Swedish Co-operation, as regards cash trading, followed Rochdale guidance only to the extent that Societies sold for cash at current prices. Little or no progress was being made, principally because Societies, each in their own locality, endeavoured to handle every commodity for which the ordinary citizen could have any use. Stock values in consequence mounted to sums considerably in excess of the capital subscribed by the members. On top of that, buildings, machinery, and plant were still in part unpaid. Neither locally nor nationally was the Movement of much importance because of its dependence on wholesalers, manufacturers, and banks.

Obviously to obtain advances and large stocks on credit was easier at the moment than for the members to subscribe the necessary capital. But just the fatal facility of that course condemned the practice and dissemination of real Co-operation to a neglect that would not have prevailed had the members' own money been at stake. The ideas of the members as to a well-assorted stock grew too lavish and ceased to bear any sound proportion to their means.

There has been in Sweden no detailed study of the accumulation of stocks except as regards boots and shoes, but the result of examination there plainly showed what risks are run when the members' actual purchases do not determine the extent of stock. The use of these in Sweden amounts to somewhat over one pair per inhabitant per year. The investigation discovered Societies, however, carrying eight pairs per member. If we assume each member to represent a family of four, the stock was turned over, at most, only once every second year. Interest alone at 5 per cent. on the capital absorbed by such a stock is equal to 10 per cent. on the cost price. The interest charges, therefore, amounted to a sum which should have been approximately sufficient to cover the whole selling expenses had the stock been managed properly. Certainly if the members realised that the larger stock means higher prices they, too, would be content with a considerably smaller quantity in reserve.

* "K.F."—the initials and common appellation of the Swedish Co-operative Union and Wholesale Society—"Kooperativa Förbundet."

This discrepancy between practice and precept discourages co-operative spirit among the members. The persons or concerns that furnish the means or constitute the connecting link between the Society and the capital-providing suppliers often, on the other hand, play much too prominent a part. The independence of the Society is curbed. The members lack any feeling of sustaining its activities; they recognise no responsibility for their Society, which indeed is theirs only in name; rather it belongs mainly to the wholesalers.

Not so many years ago the Co-operative Societies in Sweden, in just this respect, were more the property of the suppliers than of the members, and even during the war, when money was more plentiful, the position did not improve. The increased trade and surplus produced merely further extensions, which again were actually financed by the wholesalers. Own capital, which in the Swedish Co-operative Societies in 1913 averaged 50 kronor* per member, had by 1919 risen to 98.83 kronor, i.e., had scarcely doubled. On the other hand, debts to merchants during the same period were almost trebled, increasing from 31.73 to 90.70 kronor per member. This aggravated dependence on merchants was due to the increase of capital invested in buildings from 20 to 41.58 kronor per member, and of stocks from 54.83 to 148.08 kronor per member.

Not until the Congress of 1920, when the programme of Co-operation was thoroughly and earnestly discussed, was the importance generally appreciated of financing our own Societies with our own money, and of Societies, no less than members, paying on the nail for all their purchases. Swedish Co-operation was unanimous at that Congress to limit the scope of the Movement to the dimensions which its own capital permitted. Ever since, annually at Congress, the balance sheets of Societies have been analysed, both by district and in grand total. At first the debts of Societies to merchants and others were a very conspicuous, even dominant, item, but this has gradually been improved. Thus the Own Capital of Societies, 98.83 kronor per member in 1913, had risen to 161 kronor in 1925, while the Societies' debts for goods in the same period dropped from 90.70 kronor to 29.43 kronor per member. This latter amount corresponds approximately to the bank and cash balances of the Societies.

Thanks to this development the Societies now find it possible to purchase on cash terms from their own Central Organisation. This in turn has, therefore, waxed in strength and magnitude, until now it is in a position to be really of immense service to its constituent Societies and their members.

* £1 equals 18.16 kronor.

The principle that not only members, but Societies, too, should buy for cash only is too easily forgotten, although, in fact, if the rule be observed, most of the casualties we have known in management will in future be averted. For if a Society is conducted on these lines, stocks that the members cannot afford to purchase can never burden the business. Rather the management will have no chance left of enlarging and extending so casually as they might do were help still procurable from those who supply the goods, build the extensions, or sell the plant and fittings. When the members themselves have advanced the working capital they become much more interested in adequate control of the management, and the Movement grows then no more rapidly than the members can, and do, follow and approve.

This rule in the Rochdale programme, that the Societies should buy for cash, must originally have been inspired by the fact that a long sequence of earlier Societies had failed and had degenerated from businesses owned and controlled by the members—Co-operative Societies—to concerns really owned by those who were supplying the stores or credit. The Rochdale Pioneers cannot but have seen how easily a Co-operative Society can slip into the clutches of its suppliers merely by getting credit from them. They perceived that, just as surely, this menace to the very existence of the Society would quite disappear once all buying were done on a strictly cash basis. And, further, the freedom-loving Rochdale Weavers very definitely desired themselves to have full control of their Society and its fate.

A safety regulation of the first importance thus exists in the rule enjoining Co-operative Societies to buy only for ready money. Those that conform thereto are compelled to carry only stocks that can be quickly turned over. No scientific or business expert investigation is needed to decide how large a stock should be when a Society, from its beginning, practises the Rochdale rule to pay cash down for its purchases. There will be no danger of such a Society carrying a stock, as quoted, of eight pairs of boots and shoes per family, because the family cannot spare enough money for that purpose.

In general, at the commencement of a Society the members subscribe no more capital than is required for procuring the goods they absolutely must have day by day. For that reason very largely Societies have limited their operations to the foodstuffs' trades, which involves a specialisation that certainly in many countries has played a leading part in the success of Co-operation.

Buying goods only for cash would present no difficulties in Britain nor in many other countries, because their Co-operative Societies are on the whole well provided with capital. To them the problem here treated offers, therefore, less interest.

In Societies with ample capital arises, on the other hand, another and a different problem—the most suitable use of these means.

Even for Co-operative Societies well capitalised by their members or by internal reserves, larger stocks than are necessary for the efficient conduct of the business are still uneconomic. But the Societies must employ their resources. When these are abundant Societies frequently embark on activities in many new directions without any assurance that the membership is sufficient to make these new ventures remunerative. In this connection a general rule might very well be laid down that Societies ought to avoid taking up the sale of goods that move very slowly, furniture, for example, until there is good reason to presume that the sale of these articles by the Society will surpass very soon the sales of any rival business specialising in this line in the vicinity. Economic superiority in trade consists very largely in as effective employment of capital as possible, and this is best secured if the Society achieves a larger turnover than the best managed competing specialist firms serving the same area.

Before we leave the subject of Own Capital we submit some account of the rules relative thereto in Swedish Co-operation. We begin with the conditions of membership in the K.F. In the rules of the latter appears the following :—

“ A Co-operative Society shall, so that its application (for membership) may be approved, be in a satisfactory financial condition, and shall have adopted rules approved by the Union (K.F.) based on the following principles :—

- (a) The number of members to be unlimited.
- (b) One vote one member.
- (c) Cash trading.
- (d) Members must pay in at least ten shares of not less than 10 kroner each.
- (e) Ample depreciation.
- (f) Not more than 5 per cent. interest payable on share capital.
- (g) Allocation of at least 15 per cent. of the surplus to a reserve fund, and the application of a sum equal to at least 2½ per cent. to educational purposes.
- (h) Refund of net surplus to members (and others) in proportion to their purchases from the Society.
- (i) Surplus and interest due to members who have not 50 kroner paid up in shares to be transferred to the share capital account of such members; of the amount due to members who have 50 kroner but less than 100 kroner paid up in shares the half shall be so transferred.
- (j) Credit for wholesaling of goods produced by the Society itself or by its members not to exceed 30 days.

“ Co-operative Societies shall belong to the appropriate district of the Union and submit their accounts to the Union for audit.

“ Every affiliated Society must observe strict neutrality in matters pertaining to religion and politics.”

In the model rules drawn up for Societies, in accordance with these conditions of membership, the following has been incorporated concerning shares and membership:—

“4. The shares of the Society shall be of the value of 10 kroner each. Every member shall possess at least ten shares.

“Payment of surplus due to a member who has not to his credit five fully paid-up shares will be effected by transfer to that member's share capital account of the amount due. The member who possesses five fully paid-up shares will have half the surplus due to him so transferred. The member who has ten fully paid-up shares is entitled to receive his share of the surplus in cash.

“5. The membership of the Society may be increased indefinitely. Membership may be acquired by any man or woman resident in the territory served by the Society who agrees honestly to promote the objects of the Society, irrespective of belief, occupation, or social position. Associations and public bodies willing to promote the objects of the Society may also be admitted to membership.”

No special explanation of these rules is required, since they plainly indicate that their aim is to help in the capitalisation of Societies in such manner as we presume the Rochdale Pioneers intended.

Current Prices.

Fixing the selling price of a commodity is no simple matter. Everyone to whose lot practical costing for retail purposes has fallen knows this from hard experience. There may be cases where some such influence as cartel dominance has so imposed its will on trade that costing principles have been fixed and simplified, but usually cartel associations among traders have to some extent retained in their prices the ratios of value between different articles that have been established by free competition.

Goods commanding the quickest sale might be expected to show the lowest prices in relation to cost of production. This is, however, far from being always the case. The position is perhaps rather that the smallest margin obtains in the sale of goods such as are produced in many different places in the vicinity of where consumption ensues, for example, farming products in a country with mixed agricultural and industrial population. But not even that generalisation, plausible enough in theory, holds constantly in practice.

Luxury goods, again, might be supposed to carry proportionately the greatest margin of profit in their price, but neither does this always apply. At one time, for instance, the Stockholm retailer's profit on potted lobster was no more than 8 to 10 per cent., while common salt yielded 50 per cent. At that same time there were several grocers selling sugar at the price they had paid for it to the manufacturer.

In the Pioneers' day conditions in Rochdale were probably as varied in this respect. When, therefore, the Rochdale innovators, in their efforts to satisfy their desire for justice, began

to analyse the problems of costing, they would appear quickly to have discovered the difficulty of evolving any special co-operative system which differed from the accepted methods of price-fixing in the retail trade in general. Earlier Co-operative Societies had certainly tried to sell their goods on a uniform percentage added to the cost price, but found the plan defective since members were able to buy certain goods at lower prices from the private trader, who would on occasion deliberately sell these at a loss. This distraction had the effect of beguiling many members away from the Co-operative Society, in which their interest cooled. We know too well what annoyance even to-day can be caused in a society when a neighbouring competitor persists in selling a commodity at a price so low that the Co-operative Society is utterly unable to follow suit. The Rochdale weavers must have encountered just such problems, and, like the good psychologists they were, they realised the necessity of adopting the same prices as the private trader and allowing members their share in the surplus in proportion to the purchases they had made of the Society. Co-operation's selling prices were thus to be determined by the private traders. In other words, the latter were to be allowed to lead, since no benefit was considered to be gained by independent action.

This deliberate acceptance of the prices of the general retailers implied significant advantage, since members were thus enabled clearly to see how much they saved by purchasing in their own shop. This method had, moreover, special merit in the aid it rendered towards building up capital. The millions now at the disposal of British Co-operation and the further millions in the hands of Co-operative Societies of other lands are, in large measure, the fruits of this policy of current prices. The members themselves were also assisted to acquire capital funds thanks to the comparatively high ("current") prices, producing a relatively high rate of surplus for refund.

The first small and insignificant Co-operative Societies, therefore, conformed to the dominant private trade in their price fixing. In proportion as they prospered they came, however, even though unconsciously, to influence prices more directly because the private trader was driven in his costing to give some attention to his co-operative competitor.

When the Rochdale Pioneers decided their policy with regard to price fixing there existed scarcely any organisations of traders such as we know to-day. Now, on the other hand, business men in even the smallest community are associated in Societies who prepare price lists which the members must observe. Most manufacturers, even, are combined in cartels which decide the prices they themselves shall charge retailers, and in many cases the prices also which the retailers in turn must demand of the

consumer. Free price fixing is, therefore, almost a relic of the past, for the bulk of the prices of goods for consumption are regulated by these cartel agreements.

Undeniable reason now exists, however, for the question whether we can still so interpret the rule of "current prices" that the Co-operative Movement must unthinkingly and without cavil accept the costing of the private trader. So long as a Co-operative Society is weak, and has a meagre trade and little capital, compliance with the rule in its original sense is an obvious necessity. But now that the Movement is adult and full-grown and has become possessed of much capital and large funds its function as a complaisant agent for manufacturers and traders in this matter of price policy demands reconsideration.

This question of costing is from many points of view of paramount importance for the development of the Movement. A Society can quite obviously sell its goods much more cheaply if it concerns itself less about a high rate of surplus.

As a means of propaganda low prices are indisputably very effective. On the other hand, the high dividend used to be advocated as a firmer bond of union between members and their Society than lower prices and a correspondingly lower dividend.

Definitely to decide which price policy is the more correct is scarcely possible. Our experience in Sweden has, however, been that Societies keeping down prices, and, therefore, also dividend, have prospered more than those that pursued the opposite course. Moreover, we have seen that when Societies increased their dividend they began to mark time, because the management failed so to adjust their prices that the Society could be assured of the continuance of that dividend. In other words, the Society in a way became anxious that competitive prices should be kept high so that the Co-operative Society without serious trouble might be able to maintain the high rate of refund to its members that had become normal.

In the Societies which, on the contrary, adopted an independent price policy and deliberately reduced prices, even at the expense of the dividend, greater control was gained over prices in general. Despite any Organisation the opposition may possess they have in such cases been driven to give close regard in their costing to the prices of the Co-operative Society. Official investigations have also supplied instances in which competition from such a Co-operative Society with a low dividend indicated a general price level in the district lower than in the areas where the Society was charging higher prices and paying higher dividends.

The question may quite fairly be asked whether Co-operation, powerful and widespread as it now is in many countries, is not in honour bound to help in forcing down the general price level.

If such an obligation be accepted by the Movement its prices would much more fittingly be arranged not at the behest of the private trade but in competition with that trade.

Having progressed so far as to carry on its own manufacture of goods for its own use in its own factories, Co-operation cannot very well continue to submit to the prices dictated by its rivals. Should an attempt be made to obtain the highest possible prices for such goods, i.e., the prices ruling in the private trade, this would simply mean that the advantages of co-operative production were not being very satisfactorily demonstrated or conveyed to the consumer. In such case, the assertion cannot readily be made that whether they pay a high price for the goods is a matter of indifference to the consumer because, later, he will receive the difference in the form of increased dividend. In itself this is, of course, true, but experience teaches that co-operative production wins favour more easily and quickly when consumers immediately on purchase obtain a share of the benefits Co-operation has to offer. We must reckon, therefore, on smaller margins on our own productions generally than other manufacturers, usually associated as they are in cartels, with which Co-operation competes.

The best means of acquainting the public of the prices ruling in the co-operative store, and thereby exercising pressure on the general level of prices, is to advertise in the public Press. Should a Co-operative Society neglect to advertise and publish its prices many of the community may well remain in ignorance of its merits and of their own loss in this respect. Too much energy can scarcely be expended in efforts to inform the public at large concerning the goods and prices the Society has to offer. Experience has taught that only keenly intensive educational campaigns bring success, but has shown also that the success so attained very effectively swells the ranks of membership.

Difference of opinion may exist as to whether we should first interest the public in co-operative principles and the Movement as a whole, or whether we should try first to inveigle the stranger into our shops. The former is certainly much more expensive a method; the work of economic education necessary to rouse interest in, and to further insight into, abstract economics and co-operative theory calls for long views.

To persuade those devoid of any interest whatever in Co-operation to attend meetings and listen to lectures on that subject, or even to induce them to read economic literature on the smallest and simplest scale, is no light task. On the other hand, the housemother is readily interested in the obvious and instant advantage the Movement offers her, and these she measures straightway by comparison of prices, co-operative and other. Where the store sells any article more cheaply than it can be

bought outside, a means of propaganda is thus provided attractive enough often of itself to win new members. They who thus have been gathered into the fold may later be inoculated with zeal for co-operative aims and theories quite equal to the enthusiasm of any who joined for other reasons.

The idea that Co-operation involves an aggressive price policy of this kind implies that co-operative shops should no longer be hidden away in back streets. In many countries the Movement looms so large in public life that it is observed by all; they who run may read the services it can render the race.

Any Co-operative Society that courts the general public by means of advertisement and shop window solicitation must also provide adequate, even generous, facilities for the custom it seeks. This is by no means to be interpreted into a suggestion that a Society should specially cater for non-members in order to earn profits wherewith to enlarge the dividend to the members. Such a practice demeans that Society's co-operative character and may well degrade the Society ultimately into a profit-seeking enterprise of the usual type. Where non-members are supplied, which we quite agree should be done, these purchasers should receive exactly the same rate of dividend on their purchases as the members receive. But not until they have fulfilled the obligations of a member towards the Society should they get that dividend in cash. First let them sign a form of application for membership and allow their dividend to be credited to them as share capital, as stipulated in the rules for members not having the necessary minimum of share capital subscribed. In this way a stream of new members who actually trade with the Society is ensured automatically. Should at any future time legislation or other obstacle debar this method ingenuity will not baulk at devising some new way of achieving the same practical result. In Swedish Co-operation the following rule governs trade with non-members:—

"A Society may, in pursuance of a resolution by its General Meeting, sell to non-members. Should any Society so sell, such non-members, by surrendering in the manner prescribed for members their cash receipts for purchases made, shall be credited with dividend at the same rate as is credited to members. Should a purchaser with such credit standing to his name be admitted to membership in the Society, his credit balance shall be treated as directed in paragraph 2 of Rule 4 (see page 127 herein). Should the purchaser have made no application for membership at the close of the year succeeding that in which he was so credited, the whole balance shall be transferred to the Reserve Fund. A purchaser whose application for membership is not entertained shall be entitled to receive in cash any balance standing in his name and any further dividend due to him."

These rules confer on Societies, as will have been gathered, full right, on approval by the General Meeting, to trade with non-members. Most Swedish Co-operative Societies do so trade;

indeed there would be much difficulty in finding an exception. But one of the conditions of membership of K.F. is that Societies who sell to non-members shall accord to the latter the same rate of dividend as is given to members, subject to the conditions contained in the rule just quoted.

So that this argument as to price-fixing may not be misunderstood, an experience in Stockholm during the recent war difficulties is worth mentioning. About a hundred small Co-operative Societies burst into sudden life throughout the town. These were started in opposition to the existing Society, which was affiliated to K.F. The principle of current prices had met with bitter condemnation, and demand was made for the sale of goods at bare cost plus expenses. Building up capital was thus to be neglected altogether. The net result of this revolt is seen in the fact that to-day, with one single exception, all these Societies have disappeared. Similar experience must have been garnered in many other countries, and prudent and intelligent co-operators should be quite unanimous that a strong and enduring Co-operative Movement cannot be erected on a practice of selling at cost. This we wish specially to emphasise, because so far in our treatment of the Rochdale Pioneers' policy of current prices we have maintained that Co-operation must not disclaim or lose sight of its opportunity to restrain the upward tendency of prices, and to modify their general level. Between this reservation on the one hand and the proposal of sale at cost on the other is yet, and should remain, a broad gulf fixed.

Pure and Unadulterated Goods.

We have divided our inheritance from the Rochdale Pioneers—their last word and testament—into parliamentary, or government, and business categories. In the latter we have included the injunction to sell only pure and unadulterated goods. There may be some hesitation in classifying this as a purely economic or business rule. We make no claim to scientific infallibility in our labels, but desire here to convey several ideas on the purport of this instruction. All the evidence available goes to prove that, in the days of the Pioneers' first adventure into trade, adulteration was lamentably prevalent. Industrialism was just then in its infancy, and the range of available and recognised substitutes grew apace. Economic freedom had brought in its train increased opportunities for the many unscrupulous people who hesitated at no meanness or villainy where money was to be made. This type of scoundrel has become scarcer with the years, partly because of the improved discrimination of the general public, partly because of repressive legislation. To-day we can no longer speak of adulteration of goods as a general evil against which Co-operation must warn and protect its members.

But according to the idea that dictated this item of that early programme, the duty still rests with Co-operative Societies to see that members receive the best possible value for their money.

In these times when problems of nutrition and physiology are under close investigation, the Co-operative Movement is clearly obliged attentively to follow and loyally to support such research. In those countries where Co-operation is able and powerful enough, relations must be cultivated with the representatives of the sciences concerned and their work encouraged and promoted, for Co-operation has every reason, every interest, in discovering and proclaiming the truth about the properties and values of the various commodities.

Scientific research in recent years has, for example, plainly proved that the health of the race depends very largely on the constituents of our daily food. That heavy expenditure on meals always contributes to the health and strength of the rising generation is not at all certain. The opposite indeed is often observed; those who are from any cause forced to live on simple fare show more strength and vigour, due perhaps to the fact that the meaner, cheaper food contains sustenance and body-builders that the finer, costlier viands often lack.

Co-operation cannot well remain indifferent to problems of this character. We may argue, of course, that the promotion and support of research of this kind is the duty of the State, which should utilise its educational establishments and other means to keep its citizens abreast of scientific progress. But when we recall that often just those persons and firms that produce our foodstuffs actually thereby decide further what we shall consume, no other explanation or justification should be needed for a keen attention by Co-operation to this development. Thus, also, we shall best observe the principle underlying the Rochdale Pioneers' precaution as to pure and unadulterated goods.

Neutrality.

The prudent Rochdale Pioneers also resolved that the Co-operative Society should be neutral in religious and political affairs. This idea dates back to a time when people took their religion much more seriously and were divided into many hostile warring factions, hating and despising each other. One sect would seek to isolate itself from the wickedness of other faiths. In the circles in which the weavers moved there were presumably adherents of various creeds, and that may have been precisely what impressed them with the insuperable difficulty of establishing a business undertaking that should declare for any particular form of religious belief. If we assume that the twenty-eight weavers were specially gifted in a practical sense, as they undoubtedly were, they must have intended and striven that every

shop should serve a whole neighbourhood and that all residing therein, irrespective of religious or political convictions, were to be welcomed as members. Confine Co-operation strictly to trade transactions, and such a mutual effort among the members of the community of all kinds must be of benefit to all, inasmuch as the supply of goods can thus be sensibly and advantageously arranged. But should Co-operation, on the other hand, be partitioned according to political or religious opinions or both the consequence must be that consumers will be running round each other to reach the shop of their particular religious or political hue.

The experiences gained in Stockholm during the war may have been a repetition in some degree of what had at an earlier date befallen the Pioneers. There sprang up no less than 138 different Co-operative Societies of the most casual and miscellaneous character, organised generally on occupational lines. Thus Stockholm's police force, for example, had a store in the centre of the town, where all the police of the city might shop. Musicians also had their own Co-operative Society, so had the shoemakers, and so had the municipal employees, and so on. All are now agreed that this was a foolish and impractical proceeding and a waste of energy and funds that might have been put to better use. The commodities that a policeman, a clerk, or a musician needs for his family differ in no wise from each other or from what those in other callings need. The wives of these various workers could very well buy their goods in the same shop. In short, any efficient organisation of distribution demands that shops shall be opened where the members live, and that those who dwell in one and the same quarter or in one and the same district should have one shop—no more—common to them all, heedless of their occupation and of their religious or political persuasion. Perceiving this, the Rochdale weavers insisted on neutrality, which is a prime essential to the existence of a Co-operative Movement that is to be catholic and universal, and which aspires to exploit all opportunities of arranging distribution and production at the smallest possible cost in labour and capital. Any departure from this principle involves a weakening of the front opposed to private trade, which so far as we know stands everywhere open to all who wish to buy, and thus may be organised exclusively and throughout on strictly business lines.

The Co-operative Society is established for the specific purpose of serving the members and ministering to their interests as consumers. In the same way Trade Unions have been instituted to tend labour interests, and Sick Benefit Funds to rescue their members from financial need in case of illness. And, finally, political associations gather together those similarly minded in politics.

The twenty-eight weavers had assuredly other interests besides their co-operative bantling; they lacked nothing in political fervour. But they saw that these two interests must of necessity be kept apart—they would not mix. They were moved partly by a natural desire to avert squabble and dissension among the members. A Co-operative Society erected on a party basis would exist while the party existed and would fluctuate with its varying fortunes. Every schism and secession would find noisy echo in the store and exact repetition, the inevitable consequence of which would be a mean and unstable business for that Society.

Nowadays, however, not all can view the subject so temperately and dispassionately as did the twenty-eight Rochdale weavers; thus fealty to their neutrality ideal is weakening, a development which, unquestionably, is not conducive to the future welfare or progress of Co-operation. Wherever the Movement carries a label, be it Communist, Socialist, Clerical, or Roman Catholic, multitudes are excluded and scared off, and the Co-operative Society misses or mangles its chance to remodel production and distribution on the most modern and efficient lines.

We can well appreciate what a conquest is revealed of their own inclinations when the Pioneers refrained from imposing on their little Co-operative Society the political brand of the party to which practically all belonged. Their politics had evidently not yet become an obsession, blinding them to sanity and tolerance in business questions.

If such discretion and impartiality were necessary in those days, the reasons for holding fast to that view and position are much stronger now. Assume that Co-operation in one of its leading countries has attained its present magnitude solely because the members of one political party have joined, and that progress continues on the same lines until practically the whole party is enrolled in the store. If now some great national question rends that party in twain, as sooner or later happens to nearly all parties, Co-operation will be similarly divided, and for a highly developed trading Movement that spells catastrophe. The prospects of co-operative recruitment in such circumstances will be very seriously discounted. Thus infinite mischief would be wrought if, for instance, Denmark's farmers should make their Co-operation serve as handmaid to the political party to which individually they all belong, or if Sweden's workers should demand that Swedish Co-operation should support the party to which, separately or collectively, most of them are attached. Any common co-operative enterprise or action between town and country would forthwith become quite impossible. Great harm would thus be wrought to Co-operation, since the lack of any common plan or understanding would tend to raise

prices, not only to the extent of the sums contributed to political party funds, but even more because trade could no longer be so effectively organised.

As far as Sweden is concerned, any co-operative proposal actively to enter the political arena would be distinctly and disastrously disruptive, since Swedish Co-operation is meantime composed of consumers from all classes of society and from all political parties; the Movement is organised on purely business lines. The sole object has been to find the form of organisation that will best serve the consumer interests of the members.

In some countries business organisations are forbidden by law to subscribe to the funds of political parties, and in Sweden neutrality is similarly compulsory under the rules of Societies, and constitutes a condition of membership of K.F., notwithstanding that Swedish consumer Co-operators are, to a very large extent, industrial workers. The result of this neutrality is that men from very different social strata have become interested in the Movement. To-day, working freely and harmoniously together in Swedish Co-operation are to be found in large numbers Communists, Socialists, Liberals, Conservatives, Established Churchmen, and Dissenters, while as business managers and leaders have always been chosen those best qualified for each office without regard to their religious or political views.

Radicals unacquainted with Rochdale Co-operation are sometimes heard to lament that the Movement is not sufficiently progressive—too “bourgeois,” too middle class, too capitalist. If we sound this at all we shall find it quite shallow, with little thought or meaning beneath. If co-operators, in their co-operative meetings, debated political issues and excited themselves into resolutions thereon, these critics might, perhaps, for a little, be happy. Their burblings ask merely for wrangling and division in Societies, for the members who are keen politicians would as vigorously argue and prefer their views, grouping with kindred spirits for the purpose.

The opponents of Co-operation—traders and manufacturers feeling the pinch and hard pressed by co-operative progress—try occasionally in their propaganda to stigmatise the Movement as Socialist. This is done for the very transparent purpose of preventing Co-operation from attaining or approaching that world dominion of trade of which the Rochdale Pioneers so fondly dreamed. They know that if only they can convert or pervert the Co-operative Movement into a religious or a political coterie its progress will cease.

The Swedish public has been warned against co-operation by articles in the daily press, prepared and financed by Associations of

manufacturers and traders, as being, in the declared belief of the advertisers, simply a subtle form of Socialism. As a result many who otherwise were inclined to sympathise with the idea of compelling the Movement to become political have now definitely gone over to the ranks which, more alive to the danger, have steadfastly insisted on full observance of the Rochdale rule of political neutrality.

In other countries there is probably greater difficulty in maintaining full neutrality. Where the rural population predominates, alert and broad-minded members are required in order that Co-operation, still preserving its neutrality, may be able to convince and to enlist even the industrial population of the towns.

No less difficult must Co-operation find its task in countries where Labour dominates and seeks the aid and support of the Movement. Much blandishment, much pressure, will have to be resisted. If the members are loyal as well as ardent politicians, they should rather see that their direct political contributions are adequate to the party's needs, or that special collecting associations are set up for the purpose, than propose to make the Co-operative Movement foot the bill. Then they would infringe no Co-operator's right. The co-operative programme is even here so well conceived that where it is respected no one member can ever trespass on the equal privileges of another.

Suggestions have even been voiced and debated that Co-operative Societies should come to the help of strikes. Here is another idea that offends against the co-operative programme. The workers themselves will find it difficult to approve any proposal that the Co-operative Society should function in that capacity. They have banded together in Trade Unions to which, by agreement in such Unions, they pay fixed contributions, which are accumulated in funds to be used in time of need for the support of themselves or of their comrades. There also they discuss and determine when and where a strike shall be launched; the local branch confers with headquarters and may have its strike proposals approved or rejected. As a rule, however, a strike decision has to be preceded by a full investigation which requires both time and expert knowledge. The Co-operative Society obviously cannot take a fitting part in such preliminaries; for one reason its hands are full enough. Therefore, neither should the Society subsidise a strike to which it is in no way a party. And, in any case, what one Union blesses in the way of strikes another condemns; how then is the less-informed Co-operative Society to judge?

Harmony.

A striking and characteristic feature of the trade of to-day is specialisation, which indeed is now an essential of success in business life. Anyone who concentrates on a certain given task will,

without being any cleverer or more gifted than the average, become much more adept than most in the work to which he has devoted himself. This is true of Organisations as of men. A business prospers better and becomes more easily superior if it adheres strictly to the lines of least resistance—if it specialises.

Co-operative Societies, beginning usually with scanty resources, have very naturally, at any rate at first, confined their operations to grocery and provisions. In this direction Consumers' Co-operation has travelled furthest, and there also has it attained its greatest importance. The question, however, arises how far should such specialisation continue before the young Society ventures into other fields of trade ?

Scarcely any Consumers' Co-operation anywhere can decline, even from the day the shop door is first thrown open, to handle more than grocery and provisions. In every country there are many districts where the Societies must stock in addition most of the articles the members need for their wear, their dwellings, their occupation. For example, farming implements and tools must be stocked by Societies in agricultural areas. But where there are already shops dealing specially in these secondary articles the young Society will be wise to confine itself to food-stuffs, even for quite a long time, advising members to get their shoes from the local shoeshop, their pots and pans from the neighbouring ironmonger, etc.

If later the Co-operative Wholesale Society is organised on the same lines, so that the whole Movement is specialising on Grocery and Provisions, then inevitably Co-operation will win its spurs in that trade more easily and more handsomely than if instead it had dissipated its energies in manufacturing and selling all manner of commodities.

But just as the local Society in certain areas must needs handle more than foodstuffs, so the Wholesale, too, may have to stock the goods its clients, these local Societies, must carry, and to institute the necessary Departments accordingly. That should not, however, prevent the Wholesale giving its principal attention and care to the trade—Grocery and Provision—common to all. One condition essential for the development of the Movement along these lines is that all Co-operative Societies in any one and the same country should really feel and know themselves to be an entity, the success of any of whose constituents is the success of all.

The capital at the disposal of a thriving Movement is always quite limited and subject to many calls. Local Societies may, for instance, extend their business in exact proportion as their capital increases to cover a wider and ever wider variety of trade. If a Society with ample funds chooses to go its own way, heedless

of the rest of the Movement, its trade may soon become exceedingly diversified and miscellaneous. Special shops for boots and shoes, drapery, furniture may be opened; even the manufacture of some of these may be undertaken; or the Society may decide to have its own warehouse; or, again, the members may prefer to build a theatre for themselves, or housing accommodation.

Anyone will see that the application of capital in this fashion diminishes the common opportunities in those branches of trade that are of foremost importance to all the Societies in the country. Development becomes irregular, discordant; tune and step are lost if every Society uses its available capital for purposes not of primary interest to the Movement in general.

Dividing the commodities sold by Co-operative Societies into two groups—(1) Grocery and Provisions, and (2) Other Articles—and calculating the number selling each, we should find that practically all sold the first class—foodstuffs. The Societies that also sell other articles, such as boots and shoes, household utensils, ironmongery, etc., we find to be of two classes, one compelled by their rural remoteness to carry these lines, the other town Societies voluntarily trading in these branches without urgent reason, and although there are private shops dealing in such goods which are quite convenient to the members.

In most cases this line of development of town Societies is not advantageous. As a rule we may feel assured that the capital engaged by them in this trade in Other Articles could be far more profitably employed in Grocery and Provisions. We must not forget that capital circulates much more tardily in the former than in the latter, and that capital operating in Other Articles has not nearly so much effect in reducing the cost of living as the same capital would have invested in foodstuffs' trade.

Further, most Societies have still large tracts to cover in their production and distribution of foodstuffs. Now that Societies have progressed so far that some have capital to spare for use elsewhere, generally that capital would serve Co-operation best not locked up in stocks of Other Articles, but placed at the disposal of the Central Organisation and there applied to the fulfilment of common tasks in the Grocery and Provision section. In other words, that local Societies should needlessly, to make use of idle moneys, extend their operations into new fields, before the Movement as a whole has attained a position of dominant control in the production and distribution of the first necessities of life, is neither meet nor seemly.

Once, however, that position is reached in a certain trade further exploration of production and distribution becomes necessary. In this all the Societies ought to unite with the Wholesale in the closest mutual understanding and goodwill.

Development should not be haphazard or spasmodic, one Society breaking track in one direction, while a second invades quite another territory. Instead there should first be agreement at every special juncture as to what is most suitable, to be followed by common massed assault upon the problems selected for attack. Deliberations of this nature might well find a place on Agendas of Congresses and would enhance the value thereof.

From what has been said it will appear that we conceive harmony to prevail in Co-operation when all combine in mutual sympathy and determination to seek the most helpful and satisfactory answer to all their questions. In order that this may be possible a first condition is that the Movement in the country is, in a broad sense, properly organised, that is, that there is only one Co-operative Movement with one common Wholesale. When the Movement is split up into two or more Central Organisations the first essential towards increased efficiency is, therefore, an amalgamation of the different Central Organisations. Should a complete amalgamation prove impossible collaboration in production must, in any case, be established. **Co-operative productive establishments should be made so large that they can compete on even terms with the biggest and best private undertakings turning out the same commodities.**

In this connection it should also be emphasised that local Societies betray imperfect co-operative knowledge and sympathies when they set up for themselves local productive departments in trades in which the business could be more advantageously conducted in a larger factory, common to the organised consumers of the whole country or of certain districts. Where this kind of local enterprise is shown the entire co-operative philosophy is flouted, for the kernel thereof is simply the working together, not only of the individual members, but also of their various Organisations. A Committee of Management that fails to see that autocratically to attempt to solve problems of production that are common to the whole Movement is to run directly counter to the co-operative programme, deserves our sharpest censure. Unfortunately, this important point of view has not always received attention; Societies, each in their own little area, with the best intentions in the world, have adventured on production of some certain commodity with no thought that they were thereby actually delaying, or even totally preventing, a sensible and advantageous solution of the common problem.

To decide exactly when a local Co-operative Society ought to begin production, or with what it should begin, presents some difficulty. Still, as a general rule, it may perhaps be agreed that local Societies should carry on only such manufacture as has no character of **Big Industry**, or **Mass Production**, which

latter should, of course, be centralised. Bakeries, Meat Factories, Aerated Water Factories, Laundries, and similar establishments may be considered the kind of local productive enterprises that can suitably be managed by local Societies. Even these, in certain cases, may with advantage operate the combined territory of several adjoining Societies, and ought then to be begun by those Societies in common. Before such local production is arranged, an amalgamation of the Societies that are to be involved would probably be the best course to adopt. By this means their problems of production could certainly be solved more easily and effectively than if, retaining their independence, they should jointly possess a common productive undertaking. The mutual and common solution of problems of production is of the highest importance, so that the majority of neighbouring Societies shall not each set up paltry or competing productive establishments, or so that there may be no chance of one of the Societies erecting a factory intended to serve all, but omitting to take the others into consultation until a market is needed for the produce.

The will to co-operate on the part of the various Co-operative Societies is the first condition for any measure of success. But let us add that the will alone does not suffice; good judgment is required to select, for instance, the most suitable time for entering upon production. Once again we may appropriately repeat our warning that co-operative production in these days should be delayed until the Societies that contemplate the production in question are quite able to compete effectively with the strongest and the best equipped private firms in that particular line. Operations must, further, be on a scale that will yield the best results to the area served.

Regarding the big problems of centralised production, decision in advance is not possible as to when or in what order they should be attacked. In branches where the private trade is well organised and managed, there is often less to gain from co-operative production, and there, moreover, any immobilising of resources is imprudent. Usually there are so many tasks and duties calling for central organisation that selection is difficult, and the need must be borne steadily in mind of tackling the most important first. One of the leading functions of a Central Co-operative Organisation ought to be, by means of its own production, to intervene when all efforts have been in vain to persuade manufacturers to sell at fair and reasonable prices or to produce goods such as the consumer desires. Most industries being allied now in combines where prices are determined at the sweet will of the cartel magnates, there are to-day many opportunities where Co-operation may very fittingly intrude and can effect great gain to the community by its intrusion. Experience definitely proves

how easily combine prices lead to high retail prices and big middleman's profits. When Co-operation does not succeed in persuading such a combine to be moderate and reasonable in its prices, there lies before the Movement a simple and direct duty to interfere in such a way as to ensure cheaper prices to the consumer. According to our experience in Sweden, consumers set high value upon the measures that are taken by Co-operation against the cartels. The members subscribed considerable capital specially to finance the productive establishments set up by Co-operators to fight the offending combines.

All of which tends to confirm that there is great difficulty in deciding in advance when, where, and how co-operative production should be begun. The decision hinges on so many external circumstances over which Co-operation has seldom any control, and experience has shown—at least in certain countries—that often decision is precipitated by the tactics and exactions of the combines or cartels. The Swedish Co-operative Margarine Factory, for example, owes its existence to the attempts of wholesalers and retailers, aided by the manufacturers, to deprive the Co-operative Movement of margarine supplies. The Swedish Co-operative Flour Mills exist because of the milling ring's intolerable prices and increase of the wholesalers' profits. Likewise, the K.F.'s purchase of a rubber factory was due to the fact that Swedish rubber manufacturers, linked into a cartel, had fixed prices that were extortionate, while at the same time they had apportioned to middlemen remuneration on quite an extravagant scale. Although the Co-operative Societies and the K.F. shared in the gains thus provided by the cartel for middlemen, Co-operation none the less perceived its plain duty as a protective Organisation of consumers to interpose. Just because Swedish Co-operation seized the occasion to interfere in cases of such flagrant aggression on the part of the cartels, the Movement has rallied round its own productive establishments so enthusiastically that success has been instant and conclusive. There has never been but one opinion as to the merits of the action taken, with which all the Movement's spokesmen and members have been in complete accord.

Should any definite principle be deemed necessary here to govern the introduction of co-operative production, it might well take the lines that a start should be made in trades in which all the Co-operators interested and involved are unanimous that intervention is desirable. The whole Movement should be loosed in full cry and together after the realisation of the aims its representatives have selected for immediate action. Then we shall know a harmony that quickens the steps of development and lightens the labours of all who share therein.

International Co-operation.

We have already stressed the need for the harmonious development of Co-operation in each individual country. The end that is sought by the local Societies in their Co-operation in National Central Organisations, the latter, in turn, must seek in the international field. If it is to be worthy of the name Co-operation, International Co-operation must be built up on the same principles as National, i.e., Rochdale rules must be applied. To expedite International Economic Co-operation the various National Organisations will have to endeavour to move forward in line so that they are at one in first achieving, as far as possible in some common direction, nationally and thereafter extending still in the same direction, now grown familiar, into the international arena. Such Co-operation is not, perhaps, very easily attainable, and fields are not so easy to find wherein all Central Co-operative Organisations have common interests, but still this is by no means hopeless, and, in any case, ours is plainly the duty of investigating the possibilities of advance along this front.

In the case of margarine, for example, we can well imagine an agreement reached under which every National Co-operative Organisation should set up its own margarine factory, a co-operative oil refinery being acquired subsequently of an international character, to be followed by a copra plantation on similar lines.

For the introduction of International Co-operation areas might also be selected where world combines control prices and mercilessly exploit their opportunities. In such cases Co-operation on an international scale is the only power that can interpose with any prospect of success, and assuredly just such a development would immediately unite the Co-operative Societies of all lands into common action. But a common assault of this kind presumes and demands a certain uniformity and harmony in the ranks of the attacking forces; the aims and interests of the component units must not be dispersed along the whole gamut of trade; their ability and their experience must focus in a common direction.

To lay down any kind of dogmatic rules according to which National Organisations shall develop is, of course, out of all question, even were it at all desirable. Every nation must have regard to the special conditions obtaining within its bounds. But, in general, successful and profitable challenge to international trusts and combines will only be effected by the collaboration of the Central Co-operative Organisations of the various countries. Otherwise Co-operation cannot possibly take measures that will lead to lasting results and free the consumer from the extortion of these profiteers. Should Co-operation intervene locally and spasmodically and achieve no decisive result—as almost certainly

would happen—respect or prospects for International Co-operation will scarcely be enhanced. When the Movement advances to attack abuses in trade, whether locally, nationally, or internationally, the manner and the method of proceeding must be expressly devised, not only to dethrone the tyrant, but to fire popular enthusiasm and to advertise our cause and mission. Thus will others be discouraged from treading in the footsteps of the vanquished trusts and combines and vast sums will be saved to the consumer now and in days to come.

Investigation leaves no doubt that the number of international price combines is rapidly on the increase. Prophecy may safely be hazarded that before long these combines will show the mark of their cloven hoof so distinctly on prices in general that ample cause will be forthcoming for international co-operative intervention.

Such intervention, however, must wait until the various Central Co-operative Organisations have sufficiently conformed to the Rochdale programme to attain sound financial conditions.

International Co-operation may at some future time be compelled also to move against certain States which are enabled by natural advantages to control the production of a specific commodity, and so abuse Nature's generosity by levying monopoly or scarcity prices, without real justification, to the detriment of consumers in other lands. An example is to be seen in the Brazilian coffee valorisation, by whose aid the Brazilian State imposes a tax on the coffee consumers of the whole world. Protest by other States against this taxation is perhaps conceivable but hardly likely. Even in this field, however, International Co-operation should be able effectively to intervene. But if success is to be assured, then even in this case, the co-operatively organised consumers of the whole world must work as one man for the settlement of the question.

In the production of machinery the necessity for early co-operative intrusion can very well be anticipated. With characteristic effort after efficient and modern methods, Co-operation readily avails itself of labour-saving devices, and, since the manufacture of these in many cases is under the thumb of International Trusts, an International Co-operative Society would appear desirable to carry on their manufacture and sale. The direct cost of producing these machines is, as a rule, only a small fraction of the selling price that consumers have to pay.

Here Co-operation ought to have a good chance to effect considerable economies and perhaps, incidentally, to build machines specially adapted to co-operative needs.

At the start of an International Co-operative enterprise an important question immediately arises as to where it should be

located. For commercial purposes there can be but one answer; the great trade centres of the world brook no rivals. Other factors than business suitability are of no account here.

When mechanical manufacture is under consideration similar conditions will decide. The industry must be established in the place most suitable from an economic point of view, i.e., where the best resources in specialists of all ranks in that line are to be found, and where manufacture can be carried on most profitably and efficiently. The effects of tariffs and taxes cannot be overlooked. Possibly, indeed, when all the factors have been studied, International Co-operation may find it best to distribute both commercial and industrial enterprises among several countries. For the purpose of interesting the Co-operators of every country in creating something in which all may have interest, we may consider whether the manufacture of a new invention should not be given to the country whose Co-operators had conferred the boon on their fellow Co-operators by experimenting out the innovation in question. Such an arrangement ought, of course, only to be entertained if Co-operation in that country makes claim to that effect and has facilities and ability for the proper supervision of the international co-operative undertaking.

If within the Co-operative Movement inventions could be developed which should place Co-operation on a higher plane technically than its competitors there would be much cause for gratification. We are thinking now more especially of machinery for the every-day work of the Movement, for the manufacture of products for the members.

Many technical improvements have certainly already originated in the Co-operative Movement, but, unfortunately, we have not yet arrived at the free international exchange and utilisation of these or of the advantages they confer. Good International Co-operation should be able to ensure that the progress of any one country would also help forward the Movement elsewhere.

So that this may be realised, or have a chance, the industrial leaders of the Movement must be afforded increased opportunity of meeting and studying each other's labours. For example, the technical experts in our boot factories and their commercial managers ought to meet to discuss matters of common interest and importance, as also the managers of our Flour Mills, Margarine Factories, and Weaving Mills.

In this province neither the members nor their direct representatives immediately control; theirs instead to see that the technical and commercial leaders of the Movement have full scope, and to demand of them that they interest themselves not only for their own country's Co-operation, but for the International Movement as well. We may, perhaps, even look forward

to these experts one day quite specially interesting themselves in International Co-operation and in helping neighbours in another land or bringing ideas therefrom to their and our mutual gain. Hitherto these our captains of industry have not to any extent had opportunities of meeting, which is to be regretted. Conferences of this character would certainly well repay themselves, and are also increasingly urgently necessary in proportion as co-operative industry extends.

Unless we can evince ability to arrange Industrial-Commercial Co-operation on an international basis, Co-operation will be finally unable to supplant, or even to surpass, the private trade in its "delivery of the goods."

* * * * *

Let us briefly summarise what has been said. In the first place, we would earnestly disclaim any presumption that any of the proposals or suggestions we advance can solve the problems that perplex the older co-operative countries. Our intention has been merely to revive discussion of the simple Rochdale Principles, and especially the principle that a Co-operative Society should buy and sell for cash. If this were applied quite literally, Co-operative Societies, both local and national, would be, and would continue, as solvent as the individual households which constitute them. If, on the other hand, the principle of cash trading is so interpreted that only the individual member is required to pay cash, while the members collectively, i.e., as a Co-operative Society, are allowed to trade on credit, we come into direct conflict with one of the fundamental rules that have helped to build up the powerful British Co-operative Movement of to-day. Under such circumstances, Societies will be unable to form and maintain National Organisations which, independent of outside influence, will definitely and conscientiously serve the interests of the consumer.

Before the man who desires to help in international development and reconstruction lies one plain duty—to try so to apply the principle of cash trading in practice that Co-operation in all its various stages shall be financially independent. Only in this way can we lay a foundation sufficiently stable to support the mighty co-operative edifice.

From an international point of view we are not yet beyond the foundations. Co-operation in many countries is certainly strong enough already to bear its share in International Co-operation; but in many other directions scarcely a beginning has been made, and elsewhere, again, much labour has been expended upon the foundations for a Co-operative Movement with nothing much to show by way of result. Here investigation may be necessary as to whether the reason is not to be found in the neglect of one or more of the essential working rules.

That the work should be carried on everywhere in such a manner that we really are building a solid foundation is most eminently desirable. Should we succeed in the International Co-operative Alliance in agreeing upon the best methods of work and in effecting the necessary harmony in our labours, then assuredly shall the co-operative edifice spring sunward more easily and quickly, and be perhaps one day of even greater benefit than we had dared to hope in our most sanguine moments.

Resolution.

"This Congress draws the attention of the Consumers' Co-operative Organisations of the I.C.A. to the importance of adhering to the Rochdale principle of cash payments, not only in regard to the sales of the Societies, but also in the purchase of goods by the Society. Experience has shown that the Co-operative Organisations which have developed their activities with co-operative capital, and have avoided dependence on Banks and other financial institutions, have been able to overcome even those crises which have had such a paralysing effect on enterprises dependent on credit. The great development of the British Co-operative Movement shows, amongst other things, how slender resources grow irresistibly when used in this manner and result in great benefit.

"The Congress is further of opinion that division hinders the effectiveness of the Co-operative Movement, and it, therefore, urges the Co-operative Movement of every country to aim at unity, with one Consumers' Society in each locality and the centralisation of these Societies into Organisations which are common to all the Societies of the country.

"Each local Society must feel that it is part of the whole Movement and subordinate itself to the interests of the whole. The Congress is of opinion that the Co-operative Movement of a country will be of the greatest benefit to the consumers if all Societies collaborate and endeavour, as far as possible, to solve simultaneously the same question, and if their activities are concentrated on questions which are of common interest to all consumers.

"As these are questions of special importance to the future development of the Co-operative Movement, Congress urges the National Organisations and local Societies in membership with the I.C.A. to discuss them carefully and

communicate the result to the General Secretary of the International Co-operative Alliance.

"In cases where a departure from these methods is based on the conviction that they are unsuitable, a careful explanation of the attitude adopted is desired, and where the economic independence and united action of the Co-operative Movement is considered desirable, it should be stated whether these wishes have been realised; if not, the nature of the measures to be adopted to bring about their realisation should be explained.

"The Congress charges the General Secretary of the International Co-operative Alliance to submit a report to the next International Congress on the information which may be sent to him."

DISCUSSION ON MR. JOHANSSON'S PAPER.

Mr. ALBIN JOHANSSON: You will find my paper printed in the Agenda and I hope that you have all read it. I have still another paper, which I intended to read here but of which you will receive printed copies in the three languages. In the meantime, however, I have seen the draft of a resolution of our French friends, and would deeply regret if the proposed amendment were to be accepted by the Congress, because the most important point of my paper is that the Consumers' Societies should be in the possession of the consumers and that for this reason they should not only sell but also buy everything for cash. We have members in every village, but their number is generally small, and they cannot afford credit because it is always costly and incurs the payment of interest with additional costs of management. The results of the English Movement prove that this is not a paradox but a fact. I can quite understand the French resolution, knowing that Mr. Lévy is the Director of the French Co-operative Bank and that as such he naturally represents the views of the lender. But I am the business manager of a Wholesale Society, and as such am naturally anxious that Societies should pay cash for their purchases. I certainly have no objection to Societies mortgaging landed property, but it must not be in excess of the amount which they could readily borrow from a bank, mortgage or other similar institution, so that they are not dependent on the lender. I am very interested in this question because it is of considerable importance. It is, in fact, of such great importance that it requires many years' experience to understand it. It was many years before we in Sweden understood the Rochdale principles, but now we understand them and develop quickly.

Now I must come back to my paper. Naturally I must give due consideration to those who say that a Co-operative Movement can

be built up with loan capital, but in our position as counsellors to the International Co-operative Alliance we cannot advise our friends to attempt it. We must follow a course that is certain to lead us to our goal, viz., the establishment of a powerful Co-operative Movement in every country. For this reason I ask you to adopt my resolution.

In conclusion, I regret that we have not more time to discuss this question. Nevertheless, it has involved a great amount of labour to arrive at a solution.

Mr. GASTON LEVY (France): The amendment which I submit on behalf of the French delegation is not expressly my amendment: it is a proposition which was adopted by the French Co-operative Congress some weeks ago at Nimes, and although we are submitting it as an amendment to the conclusions of Mr. Johansson it is by no means because we ignore the importance of the work accomplished by him. On the contrary, we recognise the urgent necessity of inducing Co-operative Societies to make as little use as possible of credit. It is not, therefore, as a Director of the Co-operative Bank of France—as has been said—that I submit this amendment, but as an act of absolute honesty. There is no Co-operative Movement in the world—neither the English Movement nor the Swedish—which, at the present time, can dispense with credit. Co-operative Societies have had, and still have, need of credit, and to attempt to make the International Congress insist that Societies should only make cash purchases is to express a pious wish, and nothing more, because it is contrary to the reality of things. It is for this reason that, while drawing the attention of Co-operative Societies to the necessity of working with their own capital, with capital which is strictly co-operative, we must point out to them what are the best conditions for the utilisation of credit. What would be more dangerous still would be if the credit granted to Co-operative Societies (as it has been for a long time past) took the form of outside capital, supplied by moneylenders or by private banks, and employed without the control of Co-operative Organisations. It is just because, at the present time throughout the whole world, co-operative credit organisations are being formed and credit organised for Co-operative Societies, that we ask you to accept our amendment, which, above all, aims at pointing out the precautions under which, in their need, Co-operative Societies should have recourse to credit. But to content ourselves with affirming that Co-operative Societies should buy everything for cash, while certain countries, the most important amongst those represented here, possess loan capital three, four, or five times larger than their own capital, is in all probability to create a dangerous illusion which our proposition aims at avoiding.

May I add that if one recognises—as the Swedish Co-operative Movement does—the importance of collecting the savings of

co-operators, it is not less important that the produce of these savings should be used for the development of our Co-operative Societies. To collect the savings of co-operators in order to place them at the disposal of private firms or of Governments who might use them for other than co-operative interests, is to take away the value of these admirable savings' institutions which exist throughout the world and which the Co-operative Movement in England, Sweden, and elsewhere tries to extend. That is why we ask you to accept our amendment, which leaves intact the ideas expressed by Mr. Johansson in his admirable paper, but which emphasises the question which we consider important, namely, that Co-operative Societies, when they cannot dispense with credit for their own development, and in order to resist the competition of private firms, which utilise that credit of which Sir Thomas Allen spoke just now as being necessary to carry on business with agricultural societies—that these Co-operative Societies should obtain this credit from Co-operative Organisations and not from organisations outside the Movement.

Mr. Lévy concluded by moving the following amendment to the resolution printed at the end of Mr. Johansson's paper :—

“That the following text be substituted for the first paragraph :

“ ‘The Congress draws the attention of the Co-operative Organisations affiliated to the I.C.A. to the importance of the Rochdale principle regarding cash payments for purchases effected by Co-operative Societies.

“ ‘Co-operative Societies should induce their members to subscribe the working capital needed and not have recourse to credit excepting for short periods or as floating capital, and in such cases they should by preference apply to the organisations which have been set up by the Co-operative Movement for this purpose and which concentrate on this class of transaction.

“ ‘The Co-operative Societies should above all try to increase their collective indivisible capital so that, while not diminishing the advantages which they offer to their adherents, they may promote development and technical perfection.

“ ‘The organisation of co-operative credit should provide the Movement with sufficient financial means whilst ensuring that cautious and safe methods alone will be resorted to.’ ”

Mr. RABINOVITCH (Russia) : I am of the opinion that too much stress is put upon the question of management and upon the question of interest. Then, that entire part of the paper which deals with neutrality is in the language of 80 years ago. We must take into consideration all the changes that have taken place since the Rochdale principles were laid down. To apply this neutrality to

the Co-operative Movement will mean that it will never get to the end at which it aims ; for the ideas in this report would keep the Co-operative Movement as far away as possible from any important question. The report emphasises the following sentence : " They know that if only they can convert or pervert the Co-operative Movement into a religious or a political coterie its progress will cease." So far as we know the Russian delegation are completely opposed to such ideas in the development of the Movement. I have never seen a single line in any book published by traders or other bourgeois which says they agree with us. They agreed with the point of view of the speaker, but never with us. It was to the advantage of these people to keep the Co-operative Movement away from any popular interest. We cannot agree with such a point of view. We also think it unnecessary to say the Co-operative Movement would depart from the principles which Rochdale laid down. Ours was never a Movement for the rich classes ; it is a Movement for the poor. It was in the industrial ranks that we found the 28 weavers ; and we do not see any capitalists in our Movement. For these reasons it is a great mistake to divide this Movement of the working-classes. Mr. Johansson's report states : " The Co-operative Society is established for the specific purpose of serving the members and ministering to their interests as consumers. In the same way Trade Unions have been instituted to tend labour interests, and Sick Benefit Funds to rescue their members from financial need in case of illness. And, finally, political associations gather together those similarly-minded in politics." The working-class has many aims—political aims, consumers' aims, trade union aims. The Consumers' Movement is only one part of the working-class Movement. If we separate that part from the rest we weaken the rest. It would be in the interests of the development of our Movement if we ran upon another principle than is outlined in this report. The report puts so much stress on the question of neutrality that I find it impossible to agree with it.

Mr. M. RAPACKI (Poland) : The interests of modern co-operation are so numerous that we should have at our disposal not half an hour ; they could not really be discussed in the whole of the time of the Congress. The questions raised here are of the utmost importance to the whole Co-operative Movement and manifest two phases of its development. One is that when the Co-operative Society is small it is composed of its own members who alone manage the Society. It was Holyoake, I think, who described this stage of the Co-operative Movement as the heroic one. In such a Society the members are prepared for any sacrifice for that Society. There is another phase. In this case the Society becomes larger and larger and the management must pass into expert hands while the members are outside the management except at the general meetings. It must be observed that this is a dangerous phase of the Movement. Of course, it was the Rochdale Pioneers who, at a general meeting,

passed a resolution that there must be a hole in the door so that the cat might get in to catch the mice! In Poland we have had a small Society with a membership of 181, and at one of the general meetings they were all present. We have also had another Society of 1,700 members and only 32 of these were present at a meeting. If you take these points into consideration you will come to the conclusion that in the latter case there is an abyss between the members of the Society and the Society itself. The member becomes only a customer in the larger Society and not a co-operator. If we take the International Co-operative Alliance we have 50,000,000 members, but I am quite sure we have not one million convinced co-operators. It is essential that we should not lose contact with our members. We must not lose their interest in the Movement, for if we do we are going to lose our ideals, and have only co-operative trade without co-operative ideals. It is very necessary that something should be done. There are two programmes before us now; one is the programme put by Mr. Gray many years ago for a National Society. This would only mean mechanical societies. The other is Mr. Jaeggi's programme, for a federation of small Societies with the Wholesale Society at the top. We may realise one of these programmes, but we cannot hope for that to-day or to-morrow. Before we realise either, it is necessary to do social and educational work. The Co-operative Society should not only be a shop; every member should fight for his Society, not only buy his goods there. Ours is a social work; we have social ideas and we have an economic point of view. If we make out of our fifty million not only customers and members but convinced co-operators the world will be aroused. I, therefore, propose the following addition to the resolution of Mr. Johansson: "That this Congress is also of the opinion that educational and social activity is for every Co-operative Society not only a necessity for the realisation of its social aims but also a condition of its social development."

Mr. C. H. GRINLING (Great Britain): Those of us who are members of the big Co-operative Societies may well think that our democratic basis has been undermined by the advances we have made. The Royal Arsenal Co-operative Society has now over 200,000 members. During the past six months we have held a great Exhibition and we have added 40,000 members to our number. The London Society has over 200,000 members. How is it any longer possible for these large Societies to have democratic management unless they revise their constitutions? There are four points to be considered. How are we going to make the opportunity of judgment possible for every member? How are we going to devise some means of giving representation to the members which will enable them to retain control of their business? How are we going to deal with the great problem of management and strengthen the influence of the membership? And how are we going to attain the means of giving inspiration to the Movement? In my own Society there is

a Rules Revision Committee which is dealing with its constitution. I would ask this Congress to give us its help. In the minute remaining to me I would suggest that the Central Committee should take this matter in hand, and give us some documentation such as we need, giving us the experiences of various organisations. We have had the example of the foundation laid by our Swiss friends in Basle, of the Hamburg Societies, and we have had lessons from Sweden. I hope that members of our education committees will go home and bring these constitutional problems before the various groups.

The PRESIDENT here announced that he had received a request for the closure of the discussion which, if seconded, must be put to the vote. The motion being supported by a number of delegates, it was immediately put to the vote and declared carried.

The President was proceeding to put to the vote the French amendment to the resolution on the agenda when Mr. Johansson intervened and appealed to the Congress to adjourn the vote until the following morning owing to the late hour, and in order to give opportunity for his reply to the discussion.

This course was agreed to, and the Congress rose immediately.

CLOSE OF THE FOURTH SESSION.

FIFTH SESSION.

Thursday, 18th August.

Mr. A. WHITEHEAD PRESIDING.

The PRESIDENT, in opening the concluding session, said : We have a very long agenda to deal with this morning owing to the various matters which have been left over from the previous sessions for decision to-day. I feel sure you will not be desirous of holding a session this afternoon. The Congress Committee have this morning considered the best means of completing our task and of bringing the whole of the outstanding matters before the Congress. They have decided, subject, of course, to your approval, that the mover of either a resolution or an amendment shall be allowed five minutes. Further, that there shall be only one speaker against any motion or amendment, who shall have only three minutes.

Mr. RABINOVITCH, on behalf of the Russian Delegation, intervened with an objection to any modification of the Standing Orders of the Congress.

The PRESIDENT : The proposal I have put before you is that of the Congress Committee. I will ask the Congress to vote upon it.

The Congress signified its approval by an overwhelming majority.

Problems of Modern Co-operation.

(CONTINUATION OF THE DISCUSSION.)

The PRESIDENT : First of all we have before us Mr. Johansson's resolution together with the French amendment. There is also the amendment submitted by Mr. Rapacki on behalf of the Polish delegation. I now call upon Mr. Johansson to reply to the discussion.

Mr. A. JOHANSSON (Sweden) : I have nothing to say against the motion submitted by Mr. Rapacki and will therefore accept it. Mr. Rabinovitch says that the question is 80 years old and he would like to see the establishment of a new world. I say that I am more anxious than he to establish a better world—an economic organisation which will be of greater benefit to the consumer. In Sweden, and in all those countries where there is freedom, everyone can think what he likes on political and religious questions. Wherever there

is liberty neutrality is a necessity. Perhaps in Russia where there is no liberty it is not so necessary, and it is for this reason, I think, that we never are of the same mind.

My English friend has spoken of the organisation of the big Consumers' Societies. This question could, in my opinion, be considered by the Congress as a special one. Perhaps it could be arranged that the large Consumers' Societies should meet not at the Congress, but wherever members or business managers gather together, in London, Paris, or elsewhere, in order to discuss such questions.

Now I come to Mr. Lévy. The French delegation submit an amendment, but I ask you to accept my resolution. In my opinion what we have here is a counsel and when we give advice to our members it must be in such clear terms that all will understand it. I say, quite emphatically, that Co-operative Societies should only buy for cash. This is not very clear to me in the French amendment which reads :—

“ Co-operative Societies should induce their members to subscribe the necessary working capital and not have recourse to credit, excepting for short periods or as floating capital.”

I do not think it necessary that the exception should be mentioned in resolutions, which must be worded in such a way that everyone can follow them. In that way only can we lay solid foundations for our Co-operative Movement.

Mr. G. LEVY : After the explanation of Mr. Johansson, and in view of the fact that it is only proposed to offer advice and not to take a decision, I ask permission to withdraw the amendment of the French delegation.

The amendment was then, by leave, withdrawn.

The PRESIDENT : That has cleared the position materially. Mr. Johansson has already accepted the Polish amendment. I will, therefore, ask all those who are in favour of the resolution as amended to vote.

The resolution, as amended, was adopted by a large majority.

The Report of the Central Committee on the Work of the I.C.A., 1924-1926.

(CONTINUATION OF THE DISCUSSION.)

The PRESIDENT: We will now take those sections of the report of the Central Committee which were adjourned from the Second Session (Monday afternoon).

Commencing with the section on "The Italian Situation" the report was taken section by section until the last section was reached, dealing with:—

DECEASED MEMBERS.

The PRESIDENT: You will see in the last paragraph of the Report the names of our colleagues who have died since the last Congress, to the friends of all of whom the sympathy of the Alliance has been expressed. I will ask the delegates to rise in their places as a token of their esteem and regret.

The delegates rose and stood in silent tribute.

THE BALANCE SHEETS, 1924-1926.

The Balance Sheets and accounts for the three years 1924-25-26, together with the statement of the subscriptions received from each country during the same period, were next considered and adopted without discussion, the President remarking that the Alliance was not suffering from an excess of funds. He appealed to all the countries in membership to increase their subscriptions in order to help the Alliance to carry on its work.

The Report of the Central Committee was then put to the vote and adopted without opposition.

Activities
of the
National Organisations
constituting the
International Co-operative Alliance,
1924-1926.

BY H. J. MAY (GENERAL SECRETARY, I.C.A.).

(The following is the Introduction to the volume of "Reports on the Activities of Forty-eight National Co-operative Organisations in Thirty-one Countries," submitted to the Congress, and constitutes a summary of their contents.)

The forty-eight reports on which this summary is based, each of them directly contributed by the Organisation whose activities they set forth, may be fairly regarded as an authoritative statement of the work of the past three years and of the present position of Co-operation in the respective countries. It is fully recognised that the membership of the International Co-operative Alliance does not nearly cover the whole field of co-operative activity. The Agricultural Movement, to go no farther, is mainly outside the Alliance and working upon a different branch of the system which leads to the Co-operative Commonwealth.

The Consumers' Movement, however, is fully represented in the reports, and a very cursory survey of the facts and figures will be sufficient to convince the reader that together they constitute the greatest economic organisation of consumers which exists or has ever existed. It is, of course, of little worth that we should vaunt ourselves of our dimensions and strength unless at the same time we accept the responsibility which that importance inevitably carries with it, and also learn the lessons of our laboured growth and past failures in order that the future organisation of our Movement may ensure the success of our own scheme of economic development, and that peace amongst men which it is designed to achieve.

Elsewhere we have referred to the transitional period which has followed the great war and indicated the effects of war conditions upon the Co-operative Movement generally. Although our Organisations have marvellously sustained the shocks and

dismemberment of that difficult period, it cannot be denied that in most countries the Movement has felt the effects of the general economic chaos from which the world has not yet retrieved its pre-war stability.

Still it is beyond question that in the world generally and even in Europe—the centre of disturbance—rapid progress has been made during the last three years in the progress of economic recovery. The reports which have been prepared by our Committee on International Co-operative Banking show how great progress has been made in the stabilisation of currencies. Only nine countries in Europe to-day have so far hesitated to introduce legislation for this purpose.

Reports submitted to the recent Economic Conference at Geneva, and indeed those generally available from scientific sources, showed that in 1924 European production of raw materials and food, which had fallen to a much lower level after the war, had recovered to 90 per cent. of the output of 1913, while in 1925 it rose to 104 per cent. Trade has not recovered to so great an extent, but the trade of Europe, which sunk almost to vanishing point during the war, had in 1924 risen to 89 per cent. of the 1913 level, and in 1925 reached 94 per cent.

We have also to recognise the fact that a change has been passing over the economic life of the world which cannot be placed wholly at the door of war conditions. The increase of industrialisation in other Continents than Europe has resulted in a greatly increased productivity, with a consequent rise in the standard of living and large augmentation in the volume of international trade in which Co-operation must have its share. In this connection it may be well if we remember in passing that the division of Central Europe into a number of small units as a result of the Peace Treaties has had serious economic effects, not the least of which is the fact that on each side of a land frontier there is a customs cordon. Europe has to-day 11,000 kilometres of tariff barriers in excess of those that existed before the war.

In view of this general tendency in the world of industry and commerce, it is gratifying to note that beyond all question the operations of the Co-operative Societies in every land have experienced a similar improvement which is reflected throughout the reports. The statistics contained in these reports and tables deal only with fundamental matters, and are not sufficient to enable us to reduce that progress to percentages, but they, nevertheless, provide a basis for our declaration that the Movement advances at least in equal ratio with the general economic improvement. A little later we hope, with the aid of the affiliated Organisations, to present a fairly complete and comprehensive statistical picture of the position.

The subject matter of the reports of the various countries easily falls into several main sections, viz., General Progress of Consumers' Co-operation, Educational Activities, Wholesale Societies, Productive Enterprises, Agriculture, Credit and Banking.

It is under these various aspects that we propose very briefly to review the reports which have been furnished by the various National Organisations affiliated to the International Co-operative Alliance, on their activities since the Congress of Ghent in 1924.

It must, however, be at once stated that this short survey only deals with a few outstanding features of the principal developments which are common to the Movements in the different countries or aspects of particular interest. The reports reveal a considerable variety of activity and method which can only be brought out by a more exhaustive study than we can attempt in preparing these reports for the Stockholm Congress. Each individual report bears some aspect of interest for the student of co-operation and economic development. We must, therefore, refer those who desire immediate contact with all the varied phases of co-operative work represented in the Alliance to the texts of the various reports which will well repay a closer study.

GENERAL PROGRESS OF CONSUMERS' CO-OPERATION.

The Co-operation of Consumers, as reflected in the results before us, comes out of the conflict of the recent past with flying colours. It is just as impossible to resist the steady advance of the Workers' Movement and the economics of "the woman with the basket" as it is to deny the crisis through which many of the Societies have passed and the struggle for survival in a sea of economic trouble. The uniformity with which the reports tell of difficulties passed and of new achievements becomes almost monotonous, and one would almost think that they had conspired together to tell the same tale of woe, of hope, and of triumph over adverse circumstances. The general growth of Consumers' Co-operation which the reports reflect may be regarded as characteristic of the Movement as a whole. There is a note of optimism in most of them which augurs well for the future. In addition, many Organisations have given considerable statistical information in the text of their reports which it is practically impossible to arrange in a comparative form in relation to the International Movement as a whole. The need for greater uniformity in balance sheets, in the method and nomenclature of accounts, is very striking. In this direction alone there is a large field, and a difficult one, for the activities of the Alliance. Nevertheless, with the goodwill and co-operation of those who have so willingly prepared these extensive surveys of their National

Movements, it should be possible to increase the efficiency and comparability of their results to a high degree.

A feature which shows itself in many instances, and which, of course, is but the reflection of the general economic situation, is the increase of unemployment which results from any movement towards the stabilisation of the currency following the general inflation. Quite a number of Movements specifically record this as an important factor in preventing more rapid advance, just as in the wider world it has led to the imposition of restrictive tariff duties, and even, in some cases, to the prohibition of certain imports. With a population in Europe to-day estimated at 10,000,000 of workers without productive employment, this is inevitable, and should give an impetus not only to the formulation of our international economic policy but, above all, to the development of international co-operative trade and the very much closer economic collaboration of the members of the I.C.A.

Membership, too, has suffered considerable fluctuations, largely as the result of war conditions. It is not necessary to quote examples which might easily lead to invidious comparisons, but it is clear from the recorded facts that in a number of countries membership was, by other means than those of normal recruitment, greatly augmented during the war. The degrees of compulsion which were applied varied from the voluntary entrance of those who found themselves better provided for in the Co-operative store to the compulsory entrance imposed by the national or local administration for the purpose of rationing the community with available supplies. Large numbers of these "paper soldiers" were eliminated from the membership with the improvement of general conditions and the fuller resumption of private enterprise. All these factors have contributed to an instability of statistical results and to an unsettled or irregular development, the causes of which are now rapidly passing away if, indeed, they have not already passed.

The number of Societies in each National Movement also shows some curious fluctuations unless the facts are appreciated. Increases of trade and membership go side by side with stagnation or even decrease in the number of Societies. The reason, however, is fairly obvious. It lies in the very general tendency towards amalgamation and closer organisation. The days of small economic units are passed and even co-operators have to realise that, if they are to succeed in their aim of reforming the commercial and industrial systems of the capitalist world, they must seek to apply their principles to "big business" and co-ordinate their forces to that end.

Turning for a moment to some interesting features of particular reports we may note that the British Co-operative Union declares

that its Movement is stronger and more vigorous to-day than it has ever been, and in some striking figures shows that the events of recent years have opposed no permanent barrier to its onward progress. London, which for half a century was the despair of co-operative propagandists, now boasts amongst its half-dozen Societies, two with a combined membership of 400,000 members. One of these will show an increase of trade in six months of the present year of not less than £800,000, and an increase of membership of 50,000. This is probably the most remarkable advance of a single Society that has been recorded.

The German Central Union makes the proud claim that, during the past three years, its constituent Societies have realised an economic achievement equal with the highest achievements of these disturbed times. As an evidence of the remarkable confidence of consumers in their Societies it points out that, during this period of unemployment and consequently reduced possibility of saving, they have increased their savings deposits by 100,000,000 marks.

We may note the formation of the "General Co-operative Society" in Belgium, which functions side by side with the Wholesale Society and has grown out of the Regional Unions established in different parts of the country after the war. Led by the Union of Liège, which established factories at Micheroux, the General Co-operative Society was established and now controls 16 different branches of co-operative production. The Wholesale continues to supply foodstuffs and colonial produce to the Societies, while the General Co-operative Society is pushing its activities towards the complete production of co-operators' needs. It is an interesting development which should be studied, though it is based on practical considerations rather than being the expression of a new principle. The Belgian report also contains an interesting account of important sections of co-operative organisations in Belgium which are outside the membership of the I.C.A.

The Bulgarian report is notable for the clearness with which the different sections of its Movement are set out. There were 4,000 Societies in the country at the end of 1926, with a membership of 600,000 or one-ninth of the population. Only 120 are Distributive or Consumers' Societies, the balance being made up mainly of Agricultural and Credit Societies, People's Banks, Insurance Societies of different types, Housing and Hydraulic Syndicates.

One scarcely realises in glancing at the map that Canada is a Dominion of nine Provinces, each with its own governmental machinery; that it covers half a continent and yet possesses a population of only 9,000,000 people. Here are a few points from the report which emphasise the need for a transfusion of co-operative blood into the somewhat anæmic body of Canadian Co-operation. The Union, which has fought an uphill battle for

many years, "includes in its membership nearly all the largest and most successful Consumers' Societies," but its total membership is only 24 Societies, including four admitted this year. On the other hand, we are told that "the Consumers' Movement is most active in the Province of Saskatchewan, where are 260 incorporated Societies with 14,187 members."

Czecho-Slovakia presents concise reports from its two sectional Movements (the Czech and the German) which should be studied textually to appreciate the progressive character of both Movements and the important steps which have been taken in recent years to attain a real fusion of spirit and practice in spite of racial differences.

The Movement in Denmark is a study in itself, presenting as it does such a variety of correlated enterprises for the great part associated in a common Organisation, viz., De Samvirkende danske Andelsselskaber. The report presented consists almost entirely of the statistics of 19 Societies or Federations, including two Federations of Consumers' Societies, seven Productive, five Purchasing, five Insurance, in all comprising nearly 1,500,000 members, representing a total turnover of 138.2 million Kroner of Distributive Societies, 1,351.2 million kroner of Productive and Purchasing Societies, and 1,497.4 million kroner of Insurance Societies and others.

Finland presents reports which show that the two main sections of co-operative organisations—the older called the "Neutral Movement," which chiefly represents the rural population, and the younger called the "Progressive Movement"—comprised at the end of 1926 a total of 565 Societies, 3,300 shops, 400,000 members of Distributive Societies, with aggregate sales amounting to F.Mks. 2,553,000,000.

French Co-operation shows substantial advance, having increased from 1,470 Societies in 1924 to 1,650 in 1926, while the turnover in the same period has advanced from 1,402,682 francs to 3 milliard francs, with 2,750,000 families in the membership. The unity of French Co-operation is strongly insisted upon and with good reason, in view of the existence in France of three National Federations each having an entirely different rôle, respectively of moral action, commercial and industrial productive, and a financial organ. Each exercises autonomy and independence in constitution and functions, but all are united in a joint Administrative Board.

Swedish Co-operation bases itself firmly upon the principles of the Rochdale system and strenuously seeks the economic independence of its Societies in the fullest sense of the word. It has become a sort of co-operative Evangelist in its endeavours to maintain the system of strict cash payments, both on the part of members and Societies, as an unchangeable basis of Co-operation.

All its internal consolidation starts from that point and follows the lines of the "Old Weavers," while externally the Movement has strongly maintained its position as the bulwark of the consumers against capitalist monopoly. There is abundant evidence that it has fulfilled these essential conditions of true Co-operation.

Switzerland gives us the remarkable example of a country which possesses one Co-operative Society for every 78 families. The co-operative system has been applied in Switzerland to the most varied economic activities. Every section of the community to which the co-operative principles can be applied have taken advantage of it. It is said that, on the average, the head of a Swiss family is a member of several Co-operative Societies, and that few families are outside the Co-operative Movement.

Co-operation in the Union of Socialist Soviet Republics is represented in this volume by no less than twelve separate reports, which we make no attempt to summarise here. They present a marvellous array of statistics, and reveal the most extensive and complicated co-operative organisation of which we have any knowledge. We can only invite our readers to study them and to make themselves acquainted with the very varied ramifications of this vast Organisation which claims to include in its membership upwards of 20,000,000 people, and which has been described by an expert authority as "co-operation integral."

The Movement in Holland, if we may paraphrase its own report, displays neither speed nor enthusiasm. Nevertheless, it makes progress and exhibits some enterprise in its propaganda. It is the only Movement contributing to this symposium that has found ground for satisfaction in the post-war difficulties. The report says that "the shock which Dutch Co-operation had to sustain after the end of the war has done immense good" and evidently produced a renewal of effort which is likely to result in a substantial benefit to the Movement.

The Austrian Movement has suffered more than most from the reactions of the war and the general economic disturbance of Europe. They rightly state that it has been impossible to obtain a clear idea of the development of their Movement in recent years owing to the extraordinarily rapid changes in the currency from day to day. The Movement is, however, slowly regaining its force and, in view of the stabilisation of the currency, will henceforth be able to present normal calculations and regular reports.

Polish Co-operation also deserves sympathetic consideration in view of all the shocks it has sustained and the constant necessity for many years past of holding together by heroic means its scattered forces. Stabilisation, amalgamation and concentration have been factors in the restoration of the Movement. The recent

co-operative event of highest importance to Polish Co-operation has been the amalgamation of the three principal National Co-operative Federations which was effected at the end of 1924. The Organisations concerned were the Union of Polish Consumers' Societies, the Union of Workers' Consumers' Societies and the Federation of Government Officials' Consumers' Societies.

Roumanian Co-operation is largely rural and before the war was almost wholly confined to Co-operative Credit. To-day it embraces Consumers', Producers', Credit, Forestry, Farming and Land Purchase Societies in addition to a variety of productive activities. Of the 270 Societies in existence at the end of last year, 190 were divided amongst 12 industries ranging from mining to beekeeping. The remaining 80 Societies are unclassified.

The Baltic States—Estonia, Latvia and Lithuania—each present interesting reports of varied activities. Co-operation in those countries is at least comprehensive if as yet, by reason of the circumstances, it has not achieved a highly intensive character. Their reports are all encouraging and reveal the enthusiasm and energy of co-operators working with a determination to "make good."

Yugo-Slavia, and particularly the Union of Belgrade, is notable for its very long association with the I.C.A. The present report is also worthy of special note, if only because of the remarkable group of Unions which it represents in the General Federation of Co-operative Unions of the Kingdom of the Serbs, Croates and Slovenes. Fourteen Unions are comprised in the Federation and the report gives some detailed statistics of each.

EDUCATION AND PROPAGANDA.

The growth of educational activities, and the acceptance of the responsibility to devote a considerable portion of the surplus of trading to the purpose of instructing co-operators in the aims and principles of the movement, is one of the most gratifying features of post-war development.

There is sometimes a tendency with the economic growth and success of co-operative enterprise to concentrate these funds upon the technical instruction of employees and officials or to develop purely propaganda methods. If the Co-operative Commonwealth is to be realised within a measurable period of time, it is at least of equal importance that the great mass of co-operators who constitute the membership of the Societies should be well-grounded in the history of Co-operation, should understand in broad outline its varied aspects and constitution, and, above all, should clearly grasp the economic principles for which it stands and the logical—even inevitable—consequences of their pursuit. A glance at the reports from the various countries shows that to an ever increasing

degree these essential activities of our Movement are being promoted upon common lines, if with varying degrees of intensity and method.

Twenty-one countries give some account of their work in this respect. Let us endeavour to summarise them and to indicate the general scope of each. Perhaps the first place in our summary should be given to the two Universities that have been drawn into the sphere of co-operative educational work. It is true that they are amongst the latest recruits, but it is also a triumph for the cause that the College of France and the University of Brussels should each hold a Chair of Co-operation promoted and established through the action of the National Co-operative Organisations. That of France, as is well known, is occupied by the veteran co-operator, Prof. Charles Gide, who is steadily building up a library of co-operative economics by means of the publication of his lectures by the French Co-operative Union. That of Brussels, which is occupied by Mr. Louis de Brouckère, is of more recent date, having been established only in 1925. It promises, however, to wield an important influence on the future of co-operation in Belgium.

Co-operative Colleges and Schools we group together, because of the difficulty of deciding, at least from the reports, what is the dividing line between them and for this purpose we include all "schools" which give consecutive courses of more than a week's duration.

Great Britain stands first in this list with its College founded in 1919, but preceded by years of what is more frequently termed "school work." The Hostel at Manchester for 50 students is becoming well known to co-operators in other lands. In Hamburg, the German Central Union is responsible for an important school which gives six months' courses of instruction to about 20 students at a time. Finland's school runs a course of three and a-half months for a similar number of students. At Freidorf, the Co-operative Seminary founded and endowed by Mr. Bernhard Jaeggi, supported by the Swiss Union, runs courses of six months. Russia, however, supplies the most remarkable figures. "Centrosoyus" does not give details of the number and situation of the schools which it organises, but it will be seen that they are numerous when it is noted that they accommodate 3,000 students enrolled for extended courses of study. In addition to this there are 1,015 co-operative "circles" for local training courses. The Ukraine organises 5 High Schools, 4 of which are technical. There are also 24 ordinary co-operative schools. Five special courses are organised at Kharkoff and 147 courses of one or two weeks' duration in different parts of the Republic. The total cost of the Ukrainian educational work is between 70,000 and 80,000 roubles per annum.

Sweden has its well-known school at Saltsjöbaden where regular courses of study are given, and a co-operative holiday home is

provided with the accompaniment of the best cultural conditions. Poland has, in the midst of its active organisation for the education of the young, a school accommodating 30 students. Roumanian Co-operation is responsible for six co-operative schools of general and technical co-operative instruction. During the past three years the average cost of its educational work has been 2,750,000 Lei per annum. Japan, if the last on the list of Movements organising schools, is certainly not the least. It reports the existence of a college providing a course of one year's instruction to 30 students.

State Schools of Co-operation are in existence in Bulgaria and Czecho-Slovakia, but precise particulars of their organisation and work are lacking at the moment. In France and in Latvia considerable encouragement is given by the State to the promotion of Co-operation through instruction in the schools. The French Federation has established a Committee of Instruction whose duty it is to spread the teaching of Co-operation in the public schools. In accord with the Director of Public Education, the French Federation has recently published a booklet, prepared by Prof. Charles Gide, outlining co-operative principles and history, for use in the schools.

Holiday Courses of Study are organised in quite a number of countries, while in several the method of courses by correspondence is adopted. Scholarships are also at the disposal of several Co-operative Unions. They are usually associated with the name of a distinguished co-operator, of the past or present, in memory of his work, either at the cost of the Movement, or of funds which have been provided by the titular, as for example, in Great Britain, the Hughes and Neale and the Blandford Scholarships; in Switzerland, the Bernhard Jaeggi endowment; in Norway, the O. Dehli fund.

Films form a new and important feature of co-operative propaganda and are in active use in Germany, Sweden, Finland, and Holland. Kooperativa Förbundet reports that copies of half-a-dozen films to the total number of 30 are in circulation amongst their Societies. There can be no doubt that the cinema, both for educational and propaganda purposes, is destined to play an important part in the future extension of co-operation.

The foregoing summary exhausts the outstanding points of the reports which lend themselves to this sort of review. All the Organisations tell of serious educational and propaganda effort regularly organised and having for its object the instruction of the members and the extension of the Movement. All sorts of technical and general instruction in the form of public lectures and addresses, the publication of pamphlets and books, are shown to exist in most countries. White Russia possesses 19 libraries and 180 co-operative book shops. It arranges extensive circles and "corners" for mothers and children; there are also the usual

courses for employees. Georgia employs 20 special instructors in business organisation, while Yugo-Slavia follows the usual co-operative curriculum.

So far as the Co-operative Press is concerned, it would be a work of supererogation to recapitulate here the details of the national activities in this respect, in view of the recent publication of the "Directory of the International Co-operative Press" which awaits the attention of co-operators everywhere.

THE INTERNATIONAL CO-OPERATIVE DAY is cited in many reports as one of the most popular occasions of co-operative propaganda.

Looking at the reports as a whole it must be conceded that they represent a monumental piece of work which contributes at least as much to the motive power of the Movement as to its ideals.

OTHER ORGANISATIONS, whose activities are referred to in a more or less comprehensive manner in these reports, are indicated in the summaries which follow :

THE WHOLESALE SOCIETIES.

Reports on the development of Wholesale Co-operation are presented from England, Scotland, France, Germany, Austria, Belgium, Czecho-Slovakia, Denmark, Finland, and Holland where the Wholesales are autonomous Organisations ; from Switzerland, Sweden, U.S.S.R., Poland, Hungary, Norway, Roumania, Yugo-Slavia, Latvia, Lithuania, and Japan where the Wholesales are part of the unique National Federation of the respective Movements. As the general development of Co-operation in these countries has been already referred to it seems only necessary here to refer readers to the texts of the various reports and to the statistical statement in the Appendix (Table II.) which gives the best impression of their progress.

INDEPENDENT PRODUCTIVE SOCIETIES.

It is, of course, well understood that productive enterprises form an integral part of the organisation of all the Wholesale Societies mentioned in the foregoing paragraph and, indeed, also in that of most of the larger Consumers' Societies. The following countries, however, send reports of independent Societies organised for co-operative production, either auxiliary to the consumers' movement or on the principle of the co-partnership of the workers. The list includes the Co-operative Productive Federation of Great Britain, and various productive organisations in Denmark, Russia, Roumania, and Yugo-Slavia. Particulars of these Societies appear in Table III. of the Appendix.* In Switzerland the character of these Societies which are associated with the Consumers' Co-operative Movement is rather different, as may be seen from the list

* This Statistical Appendix is printed separately from the Congress Report.

of "Auxiliary Organisations for the attainment of special economic objects which can be more easily achieved by a different form of organisation than that on which the Union is based."

CO-OPERATIVE BANKS.

This section of co-operative work is more adequately dealt with in the reports and documents of the International Co-operative Banking Committee which have been placed before the Movement periodically since 1921, and during more recent years with considerable regularity. Nevertheless, we must draw attention to the reports presented in this volume of Co-operative Banks and Banking operations. They include the following autonomous Banks: Russia, Ukraine, Austria, Czecho-Slovakia, Roumania, Latvia, Estonia, Lithuania, and Japan. There are also the following Banks which are departments of the Co-operative Wholesale Societies, viz.: England, Norway, and Switzerland (see Appendix Table IV.).*

INSURANCE SOCIETIES.

Here again is a section of work which, under the auspices of the Alliance, is receiving attention from a special Committee of Study that has already accumulated a mass of information from the Co-operative Insurance Societies of different countries, and also from Societies whose operations are not wholly confined to the Co-operative Movement. In the reports under review 14 countries make reference to the work of co-operative insurance already established in their midst. In nearly every case this work is carried on by an autonomous organisation more or less closely related to the general Movement.

The Insurance Societies of Great Britain, Belgium, Sweden, and Bulgaria undertake the three branches of Life, Fire and Accident. In France, Czecho-Slovakia, Denmark, and the Ukraine the work of insurance is mainly in the agricultural sphere, and includes the destruction of crops by the elements. Fire Insurance only is undertaken by Norway, Latvia and Lithuania; Life and Fire by Finland; Fire and Burglary by Poland.

AGRICULTURAL AND CREDIT SOCIETIES.

In view of recent economic developments and also of the discussions by the Stockholm Congress of the Relations between Consumers' and Agricultural Societies, the reports which are presented on Agricultural and Credit Societies are of special interest. In some countries these Societies are included in the same Union as that which groups the Consumers' and Industrial Productive Societies. In these cases the statistics forwarded in reply to the

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special questionnaire are mixed together in a way that defies dissection. It will, therefore, only be possible to obtain a clear idea of the development of these Societies on examining the text of the reports that are submitted in the following national sections: Bulgaria, Czecho-Slovakia, Denmark, Estonia, Latvia, Lithuania, and Japan.

The following special reports are also included: France—from the National Federation of Mutuality and Agricultural Co-operation; Russia—from “Selskosoyus,” until recently the Agricultural Federation of the U.S.S.R.; the Ukraine—from “Silsky Hospodar,” the Agricultural Union of the Ukraine; Poland—from the Auditing Union of Lemberg; Yugo-Slavia—from the General Federation of Belgrade; Roumania—from Central People’s Bank, Bucharest.

These reports will be found to present a picture of the operations of Agricultural and Credit Societies already in affiliation, directly or indirectly, through their National Unions, which must certainly make a useful contribution to the problem of relations with Consumers’ Societies, and on this ground alone is deserving of closer study.

MISCELLANEOUS.—In addition to the forms of Co-operation included in the foregoing sections there is a varied selection of co-operative enterprises, such as the Workers’ Homes Societies of Czecho-Slovakia; Housing Societies in Bulgaria and Yugo-Slavia; Hydraulic Syndicates, Co-operative Opera and Lawyers’ Hotel in Bulgaria; the “Utility” Societies of Japan; the Labour Associations of Palestine, both industrial and agricultural; and Forestry Societies of Roumania. The objects of these Societies are briefly indicated in the reports together with some account of their operations.

CONCLUSION.

The volume of information on co-operative progress in every land which we introduce in the foregoing paragraphs is the widest and largest account of the world movement which has ever been submitted to a Congress of the International Co-operative Alliance or, indeed, to any other body.

Its imperfections lie thick upon it, but when all that is possible has been said in the way of criticism it still will remain a remarkable record of economic progress and development. Perhaps its chief interest at the moment is the undeniable evidence it gives of the triumphant emergence of the Co-operative Movement, the world over, from the difficulties and chaos created by the war, and its unimpeachable testimony to the stability, altruism, and universal application of co-operative principles.

The report may be commended to the careful consideration of all the members of the I.C.A., and to the wider world outside its borders, in the hope of inspiring greater efforts of propaganda; maintaining the principles of the Rochdale Pioneers in all their integrity as the basis of co-operative organisation; of promoting closer economic collaboration between the various National Co-operative Movements and the extension of all those forms of development which will contribute to the realisation of the Co-operative Commonwealth.

**RESOLUTION ON
THE REPORT ON INTERNATIONAL CO-OPERATION,
1924-1926.**

The PRESIDENT: Each delegate has, I think, received with his other papers a report prepared by the General Secretary on the basis of reports received from the National Co-operative Organisations in 31 countries. It contains the most valuable information that probably the Alliance has ever published and we ask you to carefully study its contents. You will find in it the most useful and interesting information. The summary of the General Secretary will cause you to investigate further the reports of the various Organisations. I will ask Mr. Kaufmann to move a resolution on the subject.

Mr. H. KAUFMANN (Germany): You have all received the copies of the Report on International Co-operation. Owing to the pressure of our agenda this morning there is no time at our disposal to discuss this report at length. I therefore ask you to take careful note of it and on behalf of the Central Committee I formerly move the following resolution:—

“ That this Congress notes with pleasure the great extension of co-operation throughout the world as revealed in the 48 reports presented by the National Organisations affiliated to the Alliance, their triumphant emergence from the difficulties of post-war conditions and the evidence they have given of the stability and universality of the co-operative principle. It commends the reports to the study of co-operators in every land with a view to the increase of propaganda efforts, the greater uniformity of accounts and statistics, the maintenance of the principles of Rochdale as the basis of co-operative organisation, the greater and closer economic collaboration of the various national movements, and the extension of those novel features of development which promise to contribute to the realisation of the Co-operative Commonwealth.”

The resolution was unanimously adopted.

RESOLUTION ON "WORLD PEACE."

The PRESIDENT: We will now take the resolution on World Peace sent in by the British Co-operative Union, which will be moved by Mrs. Barton, of the English Women's Guild.

The text of the resolution is as follows:—

"The Twelfth Congress of the International Co-operative Alliance, 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; *and to be prepared, in order to maintain unrestricted progress of their ideals, to offer complete resistance to the declaration and prosecution of war.*"

The PRESIDENT explained that the words in italics at the end of the text had been deleted at the request of the Central Committee of the Alliance and the resolution could be moved in that amended form.

Mrs. E. BARTON (Great Britain): Unless we can get universal peace co-operation cannot grow and help the people of the world as it should. I, personally, regret the deletion of the last few lines from the original text. We have to recognise that the people of all countries are plunged into war not because they desire it but because their Governments desire it. What we as co-operators have to do is to decide, each one of us individually, what our part will be when the Governments declare war. Before 1914 the workers in various countries thought it would not be possible for the Governments to use the workers of one country against the workers of another. We found, however, that the workers were divided against each other and that the workers of all countries were used by their Governments against their comrades in other lands. This

resolution asks co-operators to declare themselves absolutely against war. Now is the time for us to say whether we are in favour of war or in favour of peace. Every man and woman here should say they are against war, and make some declaration that they will "stand by" when the Governments declare war and will use their influence to prevent it. We know that the Governments use us in the mass. They create a feeling in favour of themselves by their speeches; they make the people rally to their side; and so use the workers against the workers of other countries. We have to make up our minds what we ourselves will do and we have no responsibility for what our Governments do. The Press is used to propagate war because the Press is in the hands of the people who are in favour of war. Co-operation is the best policy because it is a movement for progress and a movement for peace. Any individual who allows himself to be rushed into war forgets his co-operative ideals. We must declare ourselves for co-operative principles. I want to say that the British Co-operators passed this resolution in its entirety. The rank and file of the co-operative workers are in favour of it in its entirety. We want to ask all nations to be as courageous as the British Union and declare emphatically against war. We have a right to ask all men and women to press in peace for peace as others press in peace for militarism and war.

The PRESIDENT: On this subject of "World Peace" an amendment has been sent in by the Soviet delegation, the text of which has been circulated to the delegates. It will be moved by Professor Mestcheriakoff.

The text of the amendment is as follows:—

"1 That the first paragraph be deleted.

"2 That the first sentence of the second paragraph read as follows: 'Taking into consideration the destructive influence of war on the economic and cultural relations of nations, and particularly on the standard of living of the labouring classes, and the dire necessity,' etc.

"3 That the following paragraphs be added to the resolution—

"The Congress especially calls upon all Co-operative Organisations to take action against the war in China and against every attempt of financial or economic blockade of, and particularly against any attempts of a military offensive on, the Soviet Union.

"With this in view the Congress calls upon all organisations and members of organisations affiliated to the International Alliance to take immediate action in support of such measures which might interfere with the preparation for military hostilities on the part of the imperialist Governments and, in the event of

a declaration of war, to support every movement which might help in the speedy realisation of the aims of the Labour Movement.

“The Congress calls special attention to the necessity of carrying on an extensive propaganda campaign against the menace of war at meetings and in the co-operative Press, and with this end in view recommends—

“The support of all measures, the purpose of which is to create a united front of all labour organisations for an active struggle against the menace of war and the prosecution of the same.

“The organisation of protest meetings and action against any measures of capitalist Governments along the lines of preparedness for war.

“The rejection of all credits for armaments and war and to come out in the Parliaments and legislatures against measures tending to increase armaments.

“The support of all mass actions and strikes, the purpose of which is to interfere with military preparations and, particularly, the support of all actions against the continuation of war in China.

“The undertaking of active propaganda and preparatory organisational work in support of a general strike should war break out.

“The refusal to give any practical aid to measures of an economic and financial character or in the mobilisation of military forces and the preparation of war. Instead, practical aid should be given to all measures undertaken by the working-class along the lines of putting obstacles in the prosecution of war.”

Professor N. L. MESTCHERIAKOFF (Russia) : Of all the questions raised at the present Congress, of all those which occur in life, much the most important is that of the menace of war. We are astonished that the Congress finds time to attend dinners, and to go on excursions but cannot find time to discuss this question as it deserves, while the speakers are even limited to five minutes.

The Russian delegation has submitted the amendment which is before you because, to fight against war, it is not sufficient to pass resolutions ; it is necessary that they should appeal to the masses ; if we do not carry the masses with us in this fight we shall once again see war let loose. In our amendment we point out what steps should be taken to prevent this catastrophe. The resolution submitted by the British Union, which does not mention any steps of this kind, does not seem to us to be quite adequate ; that is why we propose several alterations.

First of all it is a question of suppressing the first part of this resolution—but we do not insist upon this. The English text, amended according to our suggestions, could be put to the vote and we ourselves would enthusiastically vote for it on condition that, contrary to the proposition of the Central Committee, the last part is not deleted. If you take out this final phrase we shall be obliged to abstain from voting. As for the amendments which we submit to you, they aim at pointing out the methods of the struggle which should be laid down in the resolution. Our efforts will only be crowned with success if we lead the mass of workers and peasants in the struggle. For this reason we consider that the Congress should invite all Co-operative Organisations to intervene against war in China and to set themselves against all attempts at a financial or economic blockade and, still more, against any attempt at an armed offensive against the Soviet Union.

We support every means, legal or illegal, which tend to combat the danger of war, a danger which is too pressing for us to concern ourselves about legality.

The PRESIDENT: I must remind you that it has been decided that only one speaker may support or oppose a resolution and, therefore, that only one speaker may speak against the amendments proposed to this resolution. I have just received a note from a delegate who asks to be allowed to speak on the resolution and the amendment but I can only give permission to a speaker against the resolution moved by Mrs. Barton.

Mr. H. LORENZ (Germany): We cannot vote for the Russian amendment because it asks us to do things which, in our opinion, this Congress has no right to do. If you read the amendment you will find that it asks us to declare ourselves for the united front against the war in China, and to support that declaration by general strikes. These are things which do not belong to the functions of this Congress. It further calls for direct action, the very reason for which the last sentence of the British resolution was deleted. This so-called direct action is nothing new. If the delegates of the various countries were to adopt this amendment, they would come into conflict with the laws of their own countries, and we have no right to cause unpleasantness to those at home by the resolutions that we adopt here.

Resolutions such as the one on World Peace which we are proposing to adopt, when passed by Congresses like ours represent demonstrations and manifestations. They are most effective if they are passed unanimously, and without discussion. Such decisions then have an effect outside the Congress. There is probably no one here who thinks that the resolution will be followed by immediate practical results even were we to adopt the Russian proposals. But from the co-operative standpoint, which was so well described by our English lady friend, we must always work for peace, because it is only in peace that co-operation can flourish.

I think it would be well if the Russians could see their way to withdraw their amendment. But if they will not do this, I would suggest that the vote should first be taken on the Russian amendment, because if it is rejected we may well hope that the Russians will vote for the British resolution, and that the resolution on World Peace will be adopted unanimously.

Mr. E. RONN (U.S.A.): The opinion prevails that war is impossible because the people are opposed to it. As proof it is pointed out that pacifist resolutions are adopted everywhere. There is nothing more harmful than pacifist resolutions that state war is impossible, and that war can be easily averted, etc. Countless such resolutions were passed before 1914, but they did not stop the world war. Similar resolutions have been passed after the war, nevertheless war is continually in progress in one corner of the world or another. Pacifist resolutions do not organise workers into active struggle against war and the promoters of war. They are merely paper resolutions. They lull the workers into inactivity. Only the active struggle of the workers and peasants will stop war.

It is ridiculous to think that a war can be stopped at the last moment, when it has already actually broken out, unless resistance to such war has been well prepared in advance. When war breaks out it is too late to stop it. The country is then declared under martial law, censorship is introduced, labour papers are closed, meetings prohibited, and labour and farmers' organisations dissolved. The bourgeois parties on the other hand poison the country with floods of falsehoods and slander. An atmosphere is created in which it is difficult for the broad masses to see what is what unless they have been prepared for an active struggle against war.

The International Co-operative Congress must not limit itself to empty phrases. It must immediately organise the people into an active struggle against the menace of a new terrible world war. The Congress must explain to all co-operators that the imperialists are plotting for new wars, in order to further intensify the exploitation of the toilers. We must declare our sympathy with the struggle of the toilers of China, and the U.S.S.R. The co-operators in every capitalist country must organise meetings and demonstrations against war if we really mean what we say. If we say what we mean we shall adopt the Russian amendment, otherwise I say it is a fruitless effort to accept the British resolution, especially as it has left the Central Committee. I do not see how that resolution will be of any use. I therefore hope that the amendment submitted by the Soviet delegation will be accepted.

Professor MESTCHERIAKOFF (Russia): I have to make a personal explanation. I am afraid that I have not expressed myself sufficiently clearly on a point which I am anxious to emphasise, in order to avoid any misunderstanding.

The Russian delegation would willingly vote for a resolution against war, but on condition that it should be intelligible to the masses. Now we are of opinion that the abridged resolution, as presented by the Central Committee, does not constitute an appeal to the masses with regard to the contemplated struggle, but that, on the contrary, it would lead to a disastrous passivity on the part of the masses.

For this reason we cannot accept the British resolution, but we will not vote against it ; we will abstain.

Mrs. BARTON : I want to say a word or two in reply to the American delegate who has spoken. So far from our resolution being a pious expression of opinion, I may point out that in the years 1914-1918 the British women took part in a crusade against the war. We made active propaganda against the war, and during those years the women went in fear of their lives. So I do not want the Congress to abstain from voting on the resolution because they think it is a pious one. To us it means a great deal. Governments make war because the people are afraid. We want to turn the tables on the Governments, to make them afraid to go to war because the people are not behind them. What we want is to say to all Governments, whose people are represented here, that we refuse to go to war. War is made by man, and war can be unmade by man.

The PRESIDENT : We will now proceed to take the vote, and I am going to put the amendment first.

Mr. C. H. GRINLING (Great Britain) : I would like to raise a point of order.

The PRESIDENT : A point of order cannot be raised when the vote is being taken as is now being done.

Mr. GRINLING : I submit I rose before the vote began to be taken.

The PRESIDENT : Well, what is your point of order ?

Mr. GRINLING : It is essential, if possible, that we should be united. I believe that it is possible that the whole of the assembly . . .

The PRESIDENT, intervening—That is not a point of order.

Mr. GRINLING : The point of order is this, that two and a-half lines have been deleted from the British resolution by the Central Committee, and I submit that these two and a-half lines ought to be submitted to a separate vote to enable those who wish to do so to vote for the entire British resolution.

The PRESIDENT : My intention is to submit the proposals to the Congress in such a way that the Congress will have the opportunity to clearly express its mind. I am going to put to the vote, first, the Russian amendment, then the resolution as amended by the Central Committee by deleting two and a-half lines, and finally, the British amendment in its original text as printed in the agenda.

Will all those who are in favour of the Russian amendment hold up their blue cards ?

The vote " against " the Russian amendment was similarly taken.

The PRESIDENT : The Russian amendment is lost. I will now take the vote on the resolution as amended by the Central Committee by the deletion of the last two and a-half lines.

The vote was taken by show of blue cards, for and against.

The PRESIDENT : The resolution as amended by the Central Committee is carried.

Some confusion arose as the result of this announcement, and the President was prevented from taking the vote on the original text. In order to satisfy the objections raised, it was decided to take a card vote. The Tellers having taken up their positions, a card vote on each of the three propositions was taken with the following result :—

For the Russian amendment, 141 votes ;

For the British resolution as amended by the Central Committee, 491 votes ;

For the British resolution (original text), 244 votes.

The PRESIDENT : There is a clear majority in favour of the resolution as amended by the Central Committee; and I declare that resolution carried.

RESOLUTION ON " COLLABORATION WITH INTERNATIONAL FEDERATIONS OF TRADE UNIONS."

" The Congress instructs the Central Committee to enter without delay into relations with both International Federations of Trade Unions (International Federation of Trade Unions, Amsterdam, and the Profintern, Moscow) in order that all questions pertaining to the Co-operative and Trade Union Movements may be solved by means of mutual support and common action of the Alliance with the Trade Union Internationals."

" The Congress proposes that both Trade Union Internationals should constitute a Permanent Commission, representative of the Alliance and both Trade Union Internationals, which shall discuss questions arising from time to time, which are of interest to both Movements, and shall submit them to the respective Executive Committees. The proposals thus submitted by the Commission shall come into force after being approved by the Executive Committees."

The PRESIDENT : I will now call upon Mr. Kissin to move this resolution which has been sent in by " Centrosoyus," Moscow.

Mr. A. KISSIN (Russia): Relations between the Trade Unions and the Co-operative Societies already exist. A few days ago I spoke on these relations, which have become very close in England during the last two years. There is no need to speak of the relations which exist in Belgium. I only want to draw the attention of the Congress to the relations which exist in our country between the Co-operative Societies and the Trade Unions. The relations between the Co-operative and Trade Union Movements have brought great success to the Co-operative Movement. There are some co-operators who think that the resources of our Movement are alone sufficient to establish a new co-operative order. Our great leader, Lenin, described such views as tasteless romanticism and commonplace dreaming. Why? Because so long as the power and the means of production are not in the hands of the workers—so long as the soil is not nationalised—co-operation is unable to solve the basic problem of society. Only in close connection with the working-class, in united struggle with the workers, and shoulder to shoulder with the Trade Unions will it be possible to overthrow the capitalist order of society and to establish in its place a co-operative socialist order.

We have submitted a resolution on this question. From delegates of other National Co-operative Unions we received the suggestion that if we delete the second part of our resolution, they would be prepared to vote for it. If it were possible to obtain a unanimous vote thereby, we would be prepared to drop the second part of our resolution. We are further prepared to strike out the word "both" in the second line of the first paragraph. We would delete only the word "both," and add after the word Moscow "etc."

We trust that the Congress will agree to this proposal.

Mr. A. G. MIRUS (Germany): On behalf of the German delegation I ask the Congress to reject the Russian resolution. Our attitude in Germany is that the political organisations should settle the questions which pertain to them, that Trade Union Organisations should settle trade union questions and Co-operative Organisations co-operative questions.

We are unable to agree to the resolution for the following reasons: It asks us to establish relations with the International Federation of Trade Unions, Amsterdam, and the Profintern, Moscow. There are indications that between these two Trade Union Internationals differences exist in the conception of fighting methods and other things. We are asked to become a third party to a Union in order to act as dynamite on behalf of the Co-operative Societies in our respective countries, or are we to be used against the Trade Union International to which, in all probability, the majority here present belong? Before we go so far as to declare that we will enter into relations with the International Trade Union Organisations—no.

matter in what manner—it will be necessary to have at least a United Trade Union Organisation. The questions at issue will also have to be stated more clearly than they are in the resolution.

I agree with the previous speaker, Mr. Kissin, that the Co-operative Movement should be used, and should serve, as a means of abolishing the capitalist economic system, and I should be glad if, by his influence, Mr. Kissin were able to induce his comrades outside Russia to assist in this building-up movement and not do everything in their power to pull down and besmirch what has been achieved in this respect by co-operative organisation.

The PRESIDENT proceeded to take the vote on the resolution by show of blue cards and declared it lost by a large majority.

RESOLUTION ON

“THE FUTURE ACTIVITIES OF THE ALLIANCE.”

“Whereas the experiences of the Co-operative Movement in all countries, and especially the most recent experiences, have shown our Movement to be involved in the struggle of the working class, and that whenever it has actually joined forces with the workers in the fight against capitalism in defence of the vital interest of the working class, such action has brought positive results to the Co-operative Movement as well as to the Labour Movement in general; whenever it has failed to help the workers in their struggle, such failure has had a detrimental effect upon the Co-operative Movement, and positively assisted the capitalists.

“This Congress is of the opinion that the International Co-operative Alliance, as the international organ of the Co-operative Movement, must occupy itself with all problems arising in connection with the necessity of the defence of the interests of the working class; insists upon the necessity of a programme which shall express a proletarian policy as a guide to the activities of our Movement; a programme which shall outline the necessity of conducting a systematic fight against the high cost of living, and such taxes and duties as lower the standard of life of the masses; a programme which shows the necessity of fighting against the danger of the imperialist war of fascism, and reveals to the full the identity of interests of the International Co-operative and Working Class Movements, which insists upon the close collaboration of all the political, industrial and economic organisations of the working class as the means to secure effective resistance to all forces of capitalism.

“For the working out of such a programme, based upon the principle of international working class solidarity as outlined above, this Congress shall set up a special commission of five to prepare a draft, which shall be submitted to the next meeting

of the Executive Committee, and finally approved by the Central Committee."

The PRESIDENT: Mr. Kissin will move this resolution on behalf of "Centrosoyus," Moscow.

Mr. A. KISSIN (Russia): In the Report of the Central Committee on the question of the Policy of International Co-operation it is stated that: "Up to the present, however, no real progress has been made, that is to say, the I.C.A. has not yet defined an Economic Policy." After decades of years of existence it has not yet evolved a policy. I recall to you the words of Dr. Renner in the last meeting of the Central Committee when several delegates expressed their dissatisfaction with the results of the World Economic Conference convened by the League of Nations. Dr. Renner said: "It is really we, the Alliance, which should be the World Economic Conference." A nice World Economic Conference, which after several decades of years of existence has not yet got a programme. And this is the Alliance! It is a Union of Economic Organisations, par excellence, and has no programme. The General Secretary in his great love for truth, when speaking, did not only say the truth, but the whole truth. In his love for the whole truth he said that the work of the Alliance is increased because the Soviet representatives are continually disturbing its activities. I would humbly remind the General Secretary that till 1924 we had no voice in the Executive and the Alliance was not founded in 1924. Why was there no economic programme before 1924? We were only a small minority in the meetings of the Executive. Besides, there was plenty of time between the meetings when we did not disturb the General Secretary. What is it really that did prevent him from submitting an economic programme? The reason is deeper than the General Secretary thinks. Mr. May, the General Secretary, thinks that all this is due to Moscow's eye and to Moscow's foot. You know, quite well, that before the war whenever there was a question of Revolution the adherents of capitalism used to say that the dissatisfaction was caused by the ill-willed propagandists. History, however, has shown that it was not malevolent propaganda which caused the Revolution but the intellectual process which was going on in our country. Are you aware of what is happening in Czecho-Slovakia where a great section of the co-operators are Communists, although they are cried down and what they say is not published? Do you think that this is the fault of ill-willed propagandists? No, it is the historic process which is going on in all countries.

We propose that the Alliance should adopt the following programme: First of all a programme which will safeguard the interests of the workers in full. It must be a fight against customs' duties and taxation and a fight against the trusts. Our resolution is before you and I ask you to vote for it.

Mr. VICTOR SERWY (Belgium): There is one point on which I think, we shall all agree, and that is that the Alliance, as a Co-operative Organisation, must defend the interests of consumers and workers. In order that that defence may be efficacious one thing seems to us to be essential; these workers and consumers must be able to act and move in an atmosphere of liberty. We cannot envisage this defence unless it is based on fundamental liberty. Workers must be able to act freely, to meet freely, to think freely, and to write freely. Given these conditions the Belgian delegation is quite prepared to vote for the Russian resolution, but on the express condition that our amendment is accepted by the Russian delegation.

It is the same with regard to the second paragraph which speaks of "the imperialist war of Fascism." I think such a distinction is too great and that the Congress should declare itself to be against all war of whatever nature. If our amendment is accepted we will vote for the Russian resolution.

The amendment proposed by the Belgian delegation is as follows:—

"In the second paragraph of the Russian resolution—

"I. Delete the words 'a proletarian policy as a guide to the activities of our Movement,' and substitute the following:
'A policy which will be based on the establishment and the functioning of liberty on which depend economic and social life.'

"II. Delete the words 'the imperialist war of fascism' and substitute the word 'war.'"

Mr. H. LORENZ (Germany): The Russians propose a working programme, and submit a number of points which they desire it to contain. They are the usual well-known Russian demands to which I want to say once more that some of them will probably be accepted without great objection for inclusion in a future programme of activity, whilst others cannot be entertained because they do not belong to the duties of the International Co-operative Alliance, or to the Co-operative Societies in any country. They ask that a Committee of five members be appointed to draw up a programme such as they desire, submit it to the Executive, and then to the Central Committee for adoption. In my opinion, such a procedure is practically impossible, viz., to elect five members to that Committee from among the Congress delegates. This Committee would naturally consist of one or more members who are opposed to the Russian resolutions or their proposals. Such a Committee would never do anything useful.

Nevertheless, I will admit that the new orientation of things, our participation in the World Economic Conference and similar Conferences, and the changed conditions of our time may perhaps admit of an extension of the programme of the Alliance. That it

has no programme is not correct. The aims of the Alliance, or what can be called its programme, are laid down in article 3 of the Rules. I agree that it is somewhat scanty, and in my opinion things can only be improved if the Executive and Central Committee sit down and select from their ranks a Sub-Committee that is fitted to draw up a programme so that in future the Central Committee—I assume that is the intention—will occupy itself with a more extensive programme, especially of an economic character.

We cannot adopt the Russian resolution as it stands because it would not result in any practical advance.

Mr. KREUTZ (Czecho-Slovakia): First of all I would like to observe that the Czecho-Slovakian delegation is not united, and that I do not speak on behalf of the delegation as a whole. This is a decision of the delegation with which I must comply.

The amendment submitted by Mr. Serwy, judging by its contents, is nothing else than a confirmation of what has been manifest in this Congress. In effect it shows an ever increasing relation between all kinds of organisations of the bourgeoisie which are all united in their activities, against the organisations of the workers. The Congress has made compliments and obeisances to the League of Nations under whose auspices one or two dozen Conferences of Imperialists have been held, the result of which was nothing less than the enormous fact which we learn to-day, that these same imperialists, whose executive organ is the League of Nations, are playing with the torch of war. To this institution of the bourgeoisie we are making compliments and endeavouring to enter into relations and at the same time we cannot do enough to separate ourselves as far as possible from the organs of the Labour Movement. I am sure that this tendency has nothing to do with the interests of the 40,000,000 consumers who are organised in the I.C.A., and if you want to be the leaders of these 40,000,000 you must depart from this tendency, which is not in agreement with what one of the leaders of the Alliance wrote in the organ of the Belgian Social Democratic Party on 3rd July, 1926, on the significance of the Alliance. (Interruption.) You cannot bear to hear the truth.

At this point the delegates refused to hear the speaker further.

The PRESIDENT: Mr. Albert Thomas has handed in an amendment which requires consideration, but I will first call upon Mr. Kissin to reply.

Mr. A. KISSIN (Russia), replying to the discussion, asked: What are the arguments of Mr. Lorenz behind which he tries to entrench himself? He says that a Committee of five will function badly, but he knows that the technical side is a matter of no importance. The chief thing is that you are ready from time to time to accept the loan of a programme from the League of Nations or an Economic Conference. But we want to have our own programme which is

consistent with the interests of the workers. To this question you must give a clear answer. It is a question of a programme with a proletarian policy as a guide for the activities of our Movement ; a programme which will advocate the carrying out of a systematic struggle against the high cost of living, taxes, and duties which increase the price of necessities, a programme pointing out the necessity of fighting against the danger of imperialist and fascist wars, and showing the identity of the Co-operative and Labour Movements, and one which will raise the prestige of the Alliance.

The PRESIDENT : Before the vote is taken on this resolution, the French and German delegations request the Congress to permit the Central Committee to draw up a programme of the future activities of the Alliance.

We will now take the vote on the Belgian amendment.

Mr. VICTOR SERWY intimated that as his amendment was not accepted by the Russian delegation he desired to withdraw it.

Mr. ALBERT THOMAS (France) : Just a few words to explain the scope of our new amendment. The Russian co-operators have submitted to this Congress a proposal to draw up a programme, but many of us—the majority, I think—cannot accept the considerations on which they propose it should be based. On the other hand, we agree with the Russian co-operators that an International Organisation such as this should have its own programme, and we have never thought of replacing the programme of the Alliance by any other, not even by that of the League of Nations. We consider that the International Co-operative Alliance should continually bring its programme up to date and define its future activities, and on this question we think the whole assembly will be unanimous. In these circumstances we ask the Russian co-operators to withdraw their proposition, at the same time declaring ourselves to be in agreement with them with regard to the drawing up of a programme of our future activities. We consider, however, that the Congress should invite the Central Committee to appoint a sub-committee to undertake this task.

Mr. ALBERT THOMAS concluded by moving the following amendment :—

“ The Congress instructs the Central Committee to appoint a sub-committee to consider and prepare a programme of the future work of the I.C.A.”

Mr. RABINOVITCH (Russia) : I understand that it is proposed to replace the Russian resolution with an independent one moved by Mr. Thomas. We should have nothing against that procedure, but unfortunately it proposes to set up a committee without precise instructions, either as to its line of action or the time of presenting its report. For these reasons we consider it unsuitable for us to accept.

On being put to the vote the proposition of Mr. Albert Thomas was adopted and the Russian proposition was rejected by a large majority.

REPRESENTATION ON THE CENTRAL COMMITTEE.

AMENDMENT OF ARTICLE 26.

The PRESIDENT: The General Secretary will now introduce the proposed amendment to Article 26, relating to the constitution of the Central Committee, which was referred to him on Tuesday for the preparation of a text which should embody the various propositions sent in to the Congress Committee.

The text of the proposed amendment, which had been circulated to the delegates, was as follows:—

“Substitute the following for the existing rule—

“The Central Committee shall consist of representatives nominated by the affiliated National Organisations in the different countries or Unions of countries and elected by the Congress.

“Each such National Organisation, subject to the full discharge of all its obligations to the Alliance, shall be entitled to one representative in respect of its membership, and one representative for the first complete £100 of subscription. It shall have an additional representative for each further £100 of subscription, provided that no country or Union of countries shall have more than 14 representatives.

“Any number of representatives of any country or Union of countries not exceeding the maximum to which it is entitled may exercise the full voting power of the country or Union of countries.

“If more than one National Organisation in any country is admitted to membership of the Alliance the allocation of the representation on the Central Committee shall be calculated with regard to the total subscriptions in respect of that country. In such cases the representation shall be divided proportionately between the National Organisations.

“All cases of dispute as to the allocation of representatives shall be decided by the Executive, subject to appeal to the Central Committee.

“The Central Committee shall decide whether any state or country shall be given separate representation in the Alliance.

“At each Congress the members of the Central Committee shall retire, but shall be eligible for re-election.”

The GENERAL SECRETARY: I have to present to you the text of the amended form of Article 26, prepared in accordance with the

instructions of this Congress on Tuesday. I do not think I can usefully add anything to the text except to say that it complies with the undertaking given on Tuesday morning. There is an amendment to be proposed by the French delegation, a copy of which is before you, and I will therefore reserve my further observations until that has been submitted.

The PRESIDENT: There is an amendment which has been sent in by the French delegation. I call upon Mr. Gaston Lévy to move it.

The text of the French amendment was as follows:—

“Substitute the following for the second paragraph of the text submitted by the General Secretary—

“Each such National Organisation, subject to the full discharge of all its obligations to the Alliance, shall be entitled to one representative in respect of its membership and one representative for the first complete £50 of subscription. It shall have an additional representative for each further £50 of subscription, but no country shall have more than 14 representatives.”

Mr. GASTON LEVY (France): The French delegation has submitted an amendment to the proposition drawn up by the General Secretary with regard to the alteration of Article 26. It is a question of augmenting the maximum number of representatives on the Central Committee. The French delegation was ready to accept the “status quo,” as it had been voted at the Central Committee meeting at Brussels, admitting 14 delegates of the U.S.S.R. Yesterday it was proposed that the maximum number of 14 should apply to all countries. We have no objection to that, but we would remark that, in these circumstances, the proportion between the small and large countries, as it is now established in Article 26 of the present rules, would be completely changed by the new text, as Mr. Van der Horst, of the Dutch delegation, very truly remarked. Therefore, we propose an amendment, which aims at doubling the delegation of the small countries as well as of the large, so as to have proportionally the same number of representatives on the Central Committee and to allow our Russian friends, and those of other large nations, to have their 14 representatives.

Our proposition is a simple one. We would reduce by half the amount of the subscription which is necessary in order to have an additional delegate. There would then be one delegate for every subscription of £50 sterling instead of one for every £100 sterling. In this way, the large countries, which have at present seven members on the Central Committee, could not have more than 14, while the proportion of the representation of small countries would not be too greatly reduced.

We are told that, perhaps, if this proposition were accepted the Central Committee would become too large. But, of course, we accept that part of the General Secretary's resolution which states that the representatives of any country, or union of countries, of which the number does not exceed the maximum to which that country is entitled, may exercise the total voting power of their country or union of countries. In other words, we agree that the voting should take place on behalf of the whole delegation.

On the other hand, with regard to the amount of subscription paid by the different countries, it will remain the same as at present, and that will not change Article 17 of the rules, which fixes the rates of subscription.

In short, the proposition that we make will have the effect of allowing 14 Russian representatives, and the same number to those countries which pay subscription equal to, or larger than, that of the Russian delegation. Finally, it prevents the possibility of the smaller countries being overpowered on the Central Committee.

You know very well that the alteration submitted at present, allowing the number of representatives of every country to reach 14, would mean that out of a total of 60 or 70 members on the Central Committee two countries, England and Russia—three, if Germany arrives at having a sufficient number of votes, which we suppose may be possible—would represent two-thirds or three-quarters of the whole Central Committee. As our Russian friends have said that what they wanted was to have their whole delegation represented and not to try to dominate the Central Committee, we are sure that the proposition of the French delegation will be accepted by the Congress.

THE GENERAL SECRETARY: It seems to me that the French amendment is entirely misconceived. It is based on a misconception which I venture to think is entertained by some of the other organisations represented in the Congress. It is not a fact that the small organisations are overwhelmed by the large organisations, that is, if you adhere to any kind of democratic principle or proportion in representation which you have always endeavoured to do. If you consider the proportion of subscriptions, or the number of members affiliated to the organisations which constitute the Alliance, you will find that, so far from the small countries being overwhelmed by the large countries, the small countries, in proportion to membership and subscriptions, have always held the balance of power in the Central Committee.

At the Ghent Congress you adopted an amendment to the rule providing that, for the second and each succeeding representative of any particular nation on the Central Committee, £100 should be subscribed. If you adopt the French amendment to-day you will go back again to the position as it was before the Ghent

Congress. In order to see what would be the effect on the representation and on the work of the Alliance, I have carefully examined the list of the members of the Alliance, the list of their subscriptions and the seats they hold on the Central Committee. For the purpose of defining the small countries I have taken everyone as small that contributes less than £100 per annum. There are 17 of these out of a total of 34, or, exactly half. They have 18 representatives on the Central Committee, or one-third of the seats. For this consideration they contribute one-tenth only of the total contributions to the funds of the Alliance. For one-tenth of the subscriptions they have one-third of the seats and represent half the countries in the Alliance. If you examine the facts from the other point of view, these 17 countries represent only one-twelfth of the membership of the Alliance, so that for one-twelfth of the membership they have one-third of the representation. A further remarkable fact is that, if you were able to examine the facts as I have done according to the official lists upon which representation at this Congress is based, not a single one of those countries which pay less than £100—and some of them only pay £5—not a single one would get another seat on the Central Committee as a result of adopting this French amendment. The larger countries are the only ones that would benefit. I see that some delegates make signs of dissent, but I have no interest except to put before you the simple facts. I repeat, that the principal effect of the amendment would be to put us back to the conditions that obtained before the Ghent Congress while the intention of the change made at Ghent was to make the representation more equitable and also to increase the income of the Alliance.

The second effect of the amendment would be to the financial disadvantage of the Alliance. The amendment also overlooks the fact that the voting power of the largest countries is already severely restricted by their limitation to seven representatives; moreover, that representation which has no relation to their subscription or membership is not seriously affected by the raising of the maximum to 14, which only affects Russia and Great Britain. If you wish to apply the principle of the French amendment logically and democratically, that is in giving them seats according to their membership and subscriptions, then Great Britain and Russia would each have, not 14, but 30 or 32 representatives. Under the amendment proposed none of the small nations would gain but the Alliance would lose.

The PRESIDENT: We will now take the vote on the text of the General Secretary and the French amendment.

The amendment being put to the vote first was rejected by an overwhelming majority.

The amended text of Article 26 as proposed by the General Secretary was then put to the vote and adopted with practical unanimity.

ELECTION OF THE CENTRAL COMMITTEE.

The GENERAL SECRETARY at this stage announced the composition of the new Central Committee. To the printed list issued to the delegates had to be added the names of Messrs. E. Stavenhagen (Finland) and C. Cercel (Roumania). Japan did not desire to appoint a member on account of the distance. Mr. Axel Gjöres (Sweden) had been nominated to take the place of Mr. Anders Oerne, who retired.

The PRESIDENT then submitted the list thus amended to the vote and declared the whole of the nominees duly elected. The following is the complete list :—

Austria	Dr. Renner, Mrs. E. Freundlich
Belgium.....	Victor Serwy
Bulgaria	C. Ganef
Czecho-Slovakia	Emil Lustig, V. Fiser, A. Dietl
Denmark	Anders Nielsen, L. Broberg
Estonia	J. Kuk
Finland.....	Vainö Tanner, P. Raittinen, E. Stavenhagen
France	Professor Charles Gide, A. J. Cleuet, E. Poisson, A. Thomas
Germany	H. Kaufmann, H. Lorenz, A. Kasch, E. Berger, H. Everling
Great Britain.....	Sir T. W. Allen, J. Downie, F. Hayward, A. H. Jones, R. Stewart, A. Whitehead, J. J. Worley
Holland	M. Van der Horst
Hungary.....	E. de Balogh
Latvia.....	Vilis Silins
Lithuania	P. Salcius
Norway	A. Juell
Poland	M. Rapacki
Roumania	C. Cercel
Spain	J. Ventosa, Roig
Sweden	A. Gjöres, A. Johansson
Switzerland.....	B. Jaeggi, Dr. A. Suter
U.S.S.R.	G. N. Kaminsky, A. A. Kissin, I. E. Liubimoff, A. N. Pozdnisheff, P. J. Rabinovitch, A. I. Shvetzoff, A. E. Goettler, A. B. Guenkin, — Khomenko, A. Odinzoff, — Novliansky, M. G. Toroshelidze, A. Faradje-Sadey, N. Kursell
United States	Dr. J. P. Warbasse
Yugo-Slavia	Dr. L. Prohaska

ELECTIONS TO COMMITTEE OF HONOUR.

The GENERAL SECRETARY submitted the proposition of the Central Committee, that Mr. G. J. D. C. Goedhart (ex-President) and Mr. Michael Avramovitch (Yugo-Slavia) be added to the Committee of Honour.

The proposition was adopted by acclamation.

THE PLACE OF THE NEXT CONGRESS.

The PRESIDENT: On this question Dr. Karl Renner desires to make a proposition.

Dr. K. RENNER (Austria): The Austrian delegation has asked me to invite the Congress to hold its next meetings in Vienna. The city of Vienna will offer the Congress all that a bountiful nature has bestowed on her—the vicinity of the Alps with mountains rising to a height of 6,000 English feet; works of art of the old imperial Vienna, beautiful buildings, etc. The new Vienna will show you the social institutions which it has established and, lastly, Co-operative Vienna will demonstrate that the Austrian Co-operative Movement asserts itself and develops in spite of the hard blows it received during the war. We have passed through many misfortunes, especially the dissolution of our State, which has also brought with it the dismemberment of our Movement. Then followed the inflation and deflation of our currency and the collapse of our economic life. We can assure you, however, that if the Congress will accept the invitation, it will be well received and to us it will be an honour and a pleasure to welcome you.

The PRESIDENT put to the vote the question of the acceptance of the invitation of the Austrian Movement, given by Dr. Renner, when it was most cordially and unanimously accepted.

THANKS TO KOOPERATIVA FÖRBUNDET.

The PRESIDENT: I have one resolution to put which I think will be unanimously accepted. It is to propose that the best and most hearty thanks of the Congress be accorded to Kooperativa Förbundet and to the Stockholm Society for their generous hospitality and for the way in which everything possible has been done to make our stay in Sweden pleasurable and happy. They have indeed been most generous in their hospitality, and I am sure that I am interpreting your views in expressing our appreciation. There are also the Government representatives who came here, especially the Prime Minister, the Foreign Secretary and the representatives of the Municipality. We also owe our thanks to Mr. Jaeggi and Mr. Johansson for their excellent papers.

I propose that the best thanks of the Congress be accorded to them all.

The proposal of the President was agreed to with enthusiasm.

The PRESIDENT, addressing Mr. Johansson, said: "On behalf of the whole Congress, I have to offer to Kooperativa Förbundet, to you and to your colleagues, the warmest thanks for the magnificent reception you have given to the Twelfth Congress of the International Co-operative Alliance.

Mr. ALBIN JOHANSSON: Mr. President and fellow delegates, in the name of Kooperativa Förbundet, my colleagues and myself, I thank you sincerely for this very kind expression of your appreciation. It has been a great pleasure for us to receive the Congress and we trust that its deliberations will serve as an impulse to International Co-operation.

The PRESIDENT: Fellow co-operators, our labours are ended and I now declare the Congress closed.

SPECIAL CONFERENCE

ON

PROPAGANDA & EDUCATION

Special Conference on Methods of Co-operative Propaganda and Education.

Tuesday Afternoon, 16th August.

MR. E. POISSON PRESIDING.

The PRESIDENT: This Conference, which has been specially convened to study questions relating to education and propaganda, is an innovation. It is due in part to the initiative of our Finnish friends who suggested it to the Executive who, in accord with the Central Committee, agreed to the idea. It was thought, in fact, that it would be interesting for propagandists and technicians to meet to consider questions of which they had expert knowledge on the occasion of the Congress and side by side with it. The Finnish authors of the suggestion were asked by the Central Committee to prepare special papers on the subject, and so we have a paper by Mr. Onni Toivonen on "The Promotion of Co-operative Advertising and Propaganda," and another by Mr. J. W. Keto on "International Collaboration for the Promotion of the Technical Education of Co-operative Employees and Members of Administrative Organs." These two reports arrive at certain conclusions which are before you and we will now discuss them. It goes without saying that this Conference will proceed on the same conditions as those laid down for the Congress.

I.

The Promotion of Co-operative Advertising and Propaganda.

BY MR. ONNI TOIVONEN,

Secretary of the Central Union (K.K.), Finl.md.

According to the resolutions carried by the International Congresses the activity programme of the I.C.A. includes:—

1. The initiation of propaganda meetings in great centres to spread the co-operative faith nationally and internationally.
2. The publication of journals, books, and pamphlets, such as the Bulletin, Year Books, Congress Reports, and smaller publications dealing with the history, principles, and present practice of Co-operation: also economic problems and statistics.

3. The establishment of a regular press exchange for the double purpose of placing the publications of each National Organisation at the disposal of all the others, and of providing a special press service to supply information for publication in every country.

4. The establishment at the seat of the Alliance of a permanent library of co-operative literature and publications.

5. The preparation of charts, diagrams, photographs, etc., illustrative of the works of Co-operation.

The activity programme of the I.C.A. thus contains many kinds of activities for the promotion of co-operative advertising and propaganda. But this programme has only partly been realised. Of course, the reason is to be found in the lack of available funds. This has been a regrettable fact, as it is indispensable to the promotion of the Co-operative Movement that co-operative advertising and propaganda should keep up to date. Advertising and propaganda have been the principal weapons in the competition that has, after the world war, increased in the retail business. And, as is the case whenever there is fighting, also in this business competition the one with the stronger weapons and best adapted to the circumstances wins the fight. It is thus a matter of course that not only the Co-operative Organisations of the various countries, but also the I.C.A. itself, should have been working hard for the promotion of co-operative propaganda and advertising.

It is hardly necessary to state in this connection that the old theory, according to which the Co-operative Movement is in no need of advertising, no longer can be applied to practical activity. The co-operative propagandists are already fully aware of the fact that the Co-operative Movement is just as much in need of advertising as private business. Distributive Societies develop only when the public is aware of their usefulness. And it is just by the aid of advertising that the public is informed about the usefulness of co-operative establishments. By the aid of advertising the consumers are told why it is most profitable to them to buy their necessities from the Distributive Stores. By the aid of advertising the consumers are shown in what respects the products of the co-operative productive establishments are preferable to those of the private competitors. By the aid of advertising the savers are told why it is more profitable to them to place their savings in the Savings' Funds of the Societies. By the aid of advertising new insurance holders are won for the Co-operative Insurance Institutions. "If the mountain does not come to Mahomet, then Mahomet has to go to the mountain," and in case the consumers do not join and support the Society, then one has to go to them and explain to them why they should organise themselves as consumers.

Although the chances of the I.C.A. are very small with regard to the promotion of co-operative advertising and propaganda, there is

still reason to examine whether it would not be possible to promote and intensify co-operative advertising and propaganda more than hitherto. Perhaps such means can be found which one now might apply, and whose application might improve co-operative propaganda and advertising in different countries.

A SPECIAL SECTION FOR ADVERTISING AND PROPAGANDA IN "THE BULLETIN."

And such means may be found. In every country new experiences are continually gained with regard to advertising and propaganda, and new ideas are invented. In these circumstances it would be a great step in the right direction if it would be possible to get published all experiences gained as well as all ideas invented. At present this is not the case. Experiences and ideas remain generally unknown, for, although they might be reported in the Press of the country of their origin, it is impossible that the propagandists would be able to follow the co-operative press of all the countries in the world. Quite a different method is observed by advertisers and propagandists in the service of private business. In their service are the advertising papers, which are spread all over the world, and which are making known all that in any country has been found to be of value to advertisers and propagandists. With the aid of such papers propagandists are collecting new ideas and valuable material.

Co-operative propagandists might very well copy this method. Also, they ought to make their new ideas and experiences known all over the world. The different countries would thus have an easy opportunity to find new means for intensifying advertising and propaganda in their respective countries, and even gain theoretical instruction in the application of new initiatives.

The I.C.A. might publish for the purpose a co-operative journal for advertising and propaganda. However, for well-known reasons this is scarcely possible. Nor is it absolutely necessary, as the I.C.A. publication, "The Bulletin," could easily be made to serve also this purpose by adding to the paper a special section for advertising and propaganda.

When making this suggestion, we do so firmly convinced that the I.C.A., as well as the National Organisations, would render the editor of this section all the aid necessary for making it a success. For such a section would not be a dry news section, nor would it contain only theoretical articles, but it would have to be edited as a good advertising paper generally is edited. It should contain illustrative examples, fine ideas, good pictures and advertising psychology. An advertising section of this kind should particularly deal with the following matters:—

1. **ADVERTISING PSYCHOLOGY.**—Information and articles should be published about the stand that ought to be taken by the

Distributive Movement toward advertising, as well as about the influence and foundation of advertising. These questions should be continually explained also from a co-operative point of view.

2. **ADVERTISING PUFFS.**—Co-operative advertising puffs are just now undergoing a rapid development. The Germans have invented their own system, by the aid of which they have increased the efficiency of advertising puffs. The advertising department of G.E.G. has drawn up a great many advertisements, which the Co-operative Societies may order as ready matrices whenever they intend to advertise in a paper. These advertisements are made up by an expert. As they merely refer to the products of G.E.G. and are general propaganda advertisements, G.E.G. takes a part in the expenses.

The Finns also have got a system of their own which in a notable degree has increased the advertising of the Societies. The Co-operative Societies belonging to K.K. have entrusted this Organisation with the task of making and publishing an annually fixed number of advertisements in the co-operative weekly, "Kuluttajain Lehti," and pay all expenses accruing.

Perhaps other ideas for the intensification of advertising puffs have been found in other countries. All that has been achieved in this branch should be published at least in short articles which from time to time would be sent in from each country to the editor of the paper. It would be left to the editor to procure instructive articles on the art of advertising.

3. **SHOW-WINDOW ADVERTISING.**—Advertising by show-windows is yet in many countries of a very primitive kind. Thus no harm would be done if this very effective advertising could be explained in descriptive articles from practical as well as theoretical points of view.

4. **EXHIBITION OF GOODS.**—This means of advertising is copiously used in some countries. It would be interesting to read descriptive accounts of same. It would also be necessary to get information as to the arrangements of such exhibitions.

5. **SPEECHES.**—Strangely enough, co-operative speeches are very seldom published. Quite the contrary is the case with those of private business men. Every important lecture is reported in the native as well as in the foreign Press. It would be very much to the purpose to realise this also in the Co-operative Movement. Of course, any experienced speaker is able to prepare a good lecture, but just as a musician likes to play new pieces, so a speaker, too, would like to get some new impressions. And these they could easily get from good speeches. Consequently, good lectures should now and then be sent in for publication to "The Bulletin."

6. **REPORTS OF THE ADVERTISING AND PROPAGANDA ACTIVITY OF THE NATIONAL ORGANISATIONS.**—In these reports which, of

course, each country occasionally should send in to "The Bulletin," new ideas about advertising and propaganda could be dealt with. Such accounts are as interesting as they are useful from a practical point of view. From them the reader gets new ideas which he can adopt for the benefit of his own country.

THE PREPARATION OF FILMS.

Another important matter in which the National Organisations can greatly aid one another is the preparation of films.

The best means of propaganda is the film. Every co-operative propagandist is well aware of this fact. Our experience in Finland is that, right from the time we began to use films at propaganda meetings, the festival halls have been filled to their utmost capacity. No better certificate than that could be given as to the value of films as a method of propaganda. But films cost a lot of money. It does not pay such countries as Finland to prepare as many films as are needed. Films have, of course, to be continually renewed. The same film cannot be shown twice at the same place.

However, this should not be an obstacle to propaganda by means of films, because it is an obstacle that could be easily removed by having recourse to international aid. Indeed, ordinary films are generally international; why should not the co-operative film also be international? If the films are prepared in such a way that they could be shown in any country, then the Co-operative Organisations in various countries could buy from one another copies of prepared films. Copies, of course, cost considerably less than the original film. Thus the question of cost is overcome, and the film propaganda can be continued at less cost even in smaller countries.

Things being as they are at the present moment, the Co-operative Organisations are not in a position to get much aid from one another with regard to their film propaganda.

There are two reasons for this. First, the films so far prepared are generally tiresome. They contain an infinite number of buildings, offices, and machinery; and, secondly, in planning the films one has generally only paid attention to the conditions of the home country.

Movement is the main thing with regard to the art of filming. Earlier, when the film was less known to the public, it was sufficient if the illuminated figures moved on the screen. But now the taste of the public has developed with regard to films. Now also the contents of the film must move swiftly, if the film is to arouse some enthusiasm and have any influence. If a film is prepared which from the beginning to the end shows the institutions of some particular Society, even though it may be thousands of yards long, it leaves one at the end where one was at the start. Such a film

presents at the start the institutions of a Society, and does the same at the end. People get tired of looking at such films. They demand some excitement from the films; the development of some story or event, and this, indeed, belongs to the very nature of the film. And at the end a powerful climax must be reached, pressing home upon the audience the truth which the film is designed to express. The film writer should thus invent some suitable story, adventure, or idea, which he pictures on the screen. The old practice of only showing institutions has already outlived its time.

And yet another thing. It seems to be an international fact that people suffering from the post-war results are not capable of devoting themselves to any serious questions. They go in for bobbed hair, jazzing, and cinemas. Only one in a thousand wants to be serious when there is an opportunity to enjoy oneself. Propagandists must not be blind to this fact. People should be given what they most desire. Consequently, the films should be jolly. They must be humorous. If there is good humour in a film it surely carries much more weight than a serious one. If people leave a co-operative propaganda meeting satisfied with their evening they certainly come again. And what is more important than that the people should be easily got together so that one has an opportunity to explain to them all the advantages offered by the Co-operative Movement?

The above two facts are fundamental demands on future co-operative filming. There is yet a third demand, namely, that the film should be suitable for use in various countries. In such cases where the Co-operative Wholesale wants to arrange the film for advertising some of its products it is, of course, impossible to avoid that it is suited for production only in one country. But Co-operative Organisations need and prepare also general films as, for instance, savings bank propaganda films, films that are educating people to greater loyalty to their Societies, films explaining the influence of a Co-operative Society on the family's economy, etc. These kinds of films should be prepared in such a way that they can be produced in any country.

For the purpose of realising the above principles as far as possible whilst new films are being planned, the I.C.A. should occasionally publish suitable articles in the "Bulletin."

But the safest way for the planning of films that might become "international" is that the I.C.A. itself would start to prepare films. Indeed, there are even no economical obstacles, as all the expenses would be more than refunded when the I.C.A. would sell copies of the films prepared to National Organisations.

In this connection one might also express the hope that the I.C.A. would draw up a list of already existing films. It is possible that some National Organisations have got such films that might be used also in other countries. At present it is difficult

to get an idea as to what films there are already. The only source of information in this respect is the circular letters of the International Labour Office in which the new co-operative films that the Office is aware of are mentioned. However, this information is defective and incoherent. The I.C.A. could easily draw up a complete list of films, giving as well a short synopsis of their contents.

CO-OPERATIVE PROPAGANDA LITERATURE.

A third matter, which should be touched upon in this connection, is the publication of co-operative literature.

Co-operative literature is as yet very limited, there being particularly a big shortage of good leaflets and brochures. The cause of this shortage is the same as the one applying to our other propaganda and advertising, i.e., the fact that Co-operative Organisations have not sufficient resources to direct their attention to this matter.

This shortage is at present much more harmful to the promotion of Co-operation than in the early days of the Movement. For the Movement was weak in its early days, and people who had joined it were inspired by ideas. These people did not need a lot of co-operative literature for the propaganda work. But as soon as hundreds of thousands of people with all kinds of different ideas join the Movement, then plenty of propaganda work is needed to keep this crowd together. The co-operative officers are in need of books, dealing with co-operative policy and practice, whilst the rank and file wants inspiring and stimulating literature. No Co-operative Organisation can for a longer time neglect these demands if it wants to keep out depression and breaks in the ranks.

In this respect, as well as in so many other propaganda tasks, the Co-operative Organisations can help one another reciprocally. This can first of all be done by (1) the National Organisations regularly supplying all Organisations in affiliation with the I.C.A. with copies of all their literary products; and (2) the I.C.A. should publish literature dealing with co-operative practice and principles, and prepare pamphlets with good contents and an attractive appearance.

Should the above thoughts be realised, then the National Organisations would get hold of all propaganda literature published by the Co-operative Organisations. It would then also be so much easier for them to plan new publications, as a published work often only needs to be translated, or slightly altered, to be suitable for use in another country.

It is particularly to be desired that the I.C.A. should get together and publish a list of all co-operative books and pamphlets that hitherto have been published in the various countries.

CO-OPERATIVE POSTERS.

There are, further, several reasons for extending this collaboration with regard to propaganda and advertising, also to the preparation of posters. Advertising by means of posters can be used with good results by the Co-operative Movement. They have proved to be such excellent advertising means, particularly in booming lectures and propaganda weeks, that no other similar advertising means would have been able to compete with them. But posters, which are good with regard to their contents as well their effect, are, as experience has taught us, not easy to prepare. Thus it seems that one has reason partly to resort to international aid also in this matter. Like literature, posters should also be reciprocally exchanged, and the I.C.A., too, should try to obtain designs of this kind for the needs of National Organisations, unless this would cause too great difficulties.

EXCHANGE OF NEWSPAPERS AND PERIODICALS.

Also the exchange of newspapers and periodicals needs to be arranged, as it would be desirable that each Organisation should right off send its publications to all the others. At present this is not the case. All that would be necessary for effecting an improvement in this matter would be that the I.C.A. should take the matter in hand. It could send out a circular letter of instruction to the various National Organisations, supplying them with the addresses of all the Organisations. It is to be hoped that this matter can be arranged in the course of the current year.

ARCHIVES FOR PROPAGANDA AND ADVERTISING.

Another wish might yet be expressed in this connection, namely, the establishment of archives for propaganda and advertising in conjunction with the I.C.A. office. Such archives would be a splendid source of information for propagandists as well as a valuable collection for eventual future propaganda and advertising exhibitions.

The collecting of the archives could easily be achieved by all the National Organisations undertaking to send a sufficient lot of all their means of propaganda and advertising suited for archives to the I.C.A. office. The archives would thus accumulate quite by themselves.

A realisation of all the above proposals would, of course, as far as they concern the I.C.A., demand a considerable amount of money. Though it is not the business of this Conference to mix itself in the financial arrangements of the I.C.A., it might be appropriate for the participants in the Conference to express their views as to how this matter could be arranged. To our mind, the National Organisations have a downright duty to supply the I.C.A. with necessary funds. We will come nowhere by mere proposals and

expression of wishes concerning an extension of the activity of the I.C.A. The funds necessary for this activity have to be got somehow, and it should be left to the Central Committee of the I.C.A. to make a proposal as to how this could be done. This Conference might lodge an appeal to the National Organisations, asking them urgently to supply the I.C.A. with such funds as the Central Committee would deem necessary for a realisation of the schemes proposed above.

Referring to all that has been said above, we beg to suggest that the Conference should decide that :—

The propagandists of Co-operative Organisations, gathered for the purpose of discussing in what way co-operative propaganda and advertising could be promoted in the different countries, propose for the attainment of this goal that—

1. To the official organ of the I.C.A., "THE BULLETIN," should be added a special section for propaganda and advertising in which the psychology of propaganda and advertising would be dealt with, as well as the application of same to various countries.

2. For the promotion of co-operative film propaganda, the National Organisations who are preparing films should make an effort to prepare them in such a way that they could easily be shown in any country. The I.C.A. should in its publications explain those demands that would have to be observed during the preparation of co-operative films. The I.C.A. should also proceed to prepare films for the National Organisations, as well as to draw up a list of films already prepared by National Organisations.

3. The National Organisations should send to one another, as well as to the I.C.A.; free copies of all books, pamphlets, posters, newspapers and periodicals published by them. For arranging the exchange of the publications as quickly as possible, the I.C.A. should instruct the National Organisations in this matter.

4. The I.C.A. should draw up a list of co-operative books published in the different countries, and should also itself commence to publish propaganda literature and poster designs.

5. The I.C.A. should establish co-operative archives for propaganda and advertising, in the accumulation of which each National Organisation should assist according to its ability.

6. The participants in the Conference express the hope that the Central Committee of the I.C.A. will prepare a proposal to the next Congress of the I.C.A. as to how the necessary funds should be collected for a realisation of the above programme, and, also, that the National Organisations will take up a favourable attitude towards these propositions.

II.

International Collaboration for Promoting the Technical Education of Co-operative Employees and Members of Administrative Organs.

By J. W. KETO.

Second Manager of K.K., Finland.

The goal of the Distributive Movement is to save consumers the profit of private traders. Besides this, it is liable to obtain for the organised consumers even additional savings, in so far as the Co-operative Organisations are able to make more profitable purchases of goods than corresponding private traders, or to reduce the distribution and production expenses lower than private trade can do. In reducing the distribution and production expenses the Co-operative Organisations do not, of course, aim at a lowering of the labour conditions, but at a more expedient organisation. Indeed, the Co-operative Societies of our time have great opportunities to make the most favourable purchases and to establish the most rational technical and commercial organisations, because they are not seldom big Societies, besides having mutual Wholesale Societies and National Unions. In so far as the Societies succeed in saving the organised consumers the profit of the private traders as well as a part of their business expenses, the organised consumers benefit either by a return of the surplus or by lower prices. At the same time as the Co-operative Organisations thus take care of the consumers' monetary interest, they create a new social economic system instead of the present generally prevailing private profit system.

However, it is a well-known fact that every Distributive Society is not always able to save the organised consumers the whole profit amount of even the competing private trader, although the Society may not supply the goods at prices below the prevailing ones. For instance, its expenses may be so high that the whole of its aim remains unattainable. The reasons may be of many different kinds. The number of the organised members of such a Society may be too small to enable the Society to compete with a big business enterprise. Or the co-operators may, without reason, be disloyal towards their own Society. Or the reason why the Societies are not successful may also be found in the inability of the trusted members of the administrative organs. But the cause of the failure is mostly due to the employees, particularly the managers. The experience of the writer of these lines, at least as far as it applies to his own country, has shown that the character of the employees

exerts a decisive influence on the success of the Society. The bigger the Co-operative Organisations grow, the more is their success dependent on the character of the leading employees. Particularly a big Society of the present day, with hundreds or even thousands of employees, needs for its success an able management both with regard to its business management as well as to its co-operative policy. It is evident also that the rest of the employees of such a Society should be, professionally, at least as efficient as those of the competing private firms. The need of a professionally trained staff of employees has become so much greater for the Societies as the competing private firms have in many cases ceased to be unimportant retail shops with employees lacking any professional training, or small productive establishments, and in their stead the Societies have been confronted with firms with enormous capital at their disposal, with numerous branch shops, etc., and with professionally trained managers.

Consequently, in all countries where the Co-operative Movement has shown a greater development, it has lately become evident that the co-operative employees lack that special training by which the Society would be able to fulfil its duty in that respect. This special training is particularly needed by the leading employees of the Society, by the managers as well as by the heads of various departments, but also office clerks, shop assistants, and all the other employees are in need of the same. Modern Societies now also demand of the members of administrative organs a better familiarity with business management than was earlier the case.

In view of the fact that various professional schools—commercial schools, institutes, colleges, and other establishments of a similar kind—are preparing a great number of professionally trained persons, the Distributive Movement can nowadays get such ones in a greater number than formerly. But experience has shown that, firstly, as such persons do not enter into co-operative service in a sufficient number, one has often been obliged to employ people with only practical training. Secondly, the professional education as it is given by the professional training schools is not immediately suited for the needs of the Distributive Societies. Such is the case with a purely businesslike education. And persons who have passed through institutions of this kind lack completion in, for instance, book-keeping when they enter into co-operative service, as the Societies very often have got their own book-keeping methods, not to speak about the differing control system and other details of business management which responsible employees must know well before they are able to manage a Distributive Society. Also the professional education of employees with lesser responsibility is not likely to be completed in the said schools, considering that a Distributive Society puts quite different demands on its employees with regard to their selling ability, the treatment of customers, etc., than what is required by other business firms. Of course, in a still

lesser degree the said commercial schools are able to give their students such theoretical and political co-operative education as is demanded of all co-operative employees before they are able to manage a distributive store in accordance with the right co-operative principles.

Under these circumstances most of the older and more developed Societies have, during the last decades, started to give a special training to their employees or, at least, to certain groups of employes. To some extent, care has also been taken to give instruction to the members of administrative organs (i.e., the Management Committee or—where there are two managing organs—Board of Administration and Board of Directors).

Although the technical education intended for these two groups is often intermixed in practice in such a way that the members of each group, for instance, attend the same technical training courses, still it is necessary to deal with them separately. In the following I will give, quite shortly, a general review, firstly, of those methods by which the Co-operative Central Organisations of our time endeavour to give commercial and co-operative education to the more responsible employees of the Societies—secretaries, departmental heads, store managers, etc.—as well as to employees in a less responsible position—shop assistants and office clerks—and, secondly, of the methods by which they endeavour to train for their duties members of administrative organs who occupy confidential posts. It is not my intention to give even a list of all the existing technical training methods, still less to give a detailed description of all the technical training efforts of co-operators in various countries. It may suffice for this report to mention the more important methods employed by some representative co-operative countries. Consequently, the writer has not deemed it necessary to apply for elaborate information from Co-operative Organisations of the different countries, but he has confined himself mainly to explain what he has found in the literature and the co-operative Press. There is no reason to state beforehand that this report is not intended to comprise a description of such co-operative education as is already being taught in various colleges, high schools, and similar institutes, and which education serves quite different purposes.

Let us first mention those methods by which Co-operative Organisations, and particularly the Co-operative Central Organisations, endeavour to develop the professional craftsmanship of the employees of the Distributive Societies, as well as the co-operative and social propaganda. We will begin with the most complete forms, though they are not always of the oldest standing. The Co-operative College of the Co-operative Union at Holyoake House in Manchester is likely to be considered to be an intermediate form between the lecture courses at the universities and high schools on the Continent and the professional training schools of

the Central Organisations. The educational programme is not mutual for all the students, as each one may, according to his own needs and wishes, study various subjects, nor is anybody obliged to attend the College during the whole time that the course lasts (from October to June). Among the subjects on which one may attend lectures and pass examinations, there are a good many on general education—history, political economy, sociology, citizenship, ethics, etc.—comprising as well co-operative and technical subjects.

Of the ordinary co-operative schools, supported by the Central Organisations, the most comprehensive one is in all probability the one maintained by the "Y.O.L." in Finland (formerly by the "S.O.K."). Its work is divided into one Finnish and one Swedish section, operating during two school years during a total of 14 months. The programme of the school resembles the biennial programme of the commercial schools supported by the State and municipalities. Particular stress is laid upon practical subjects such as book-keeping, commercial arithmetic, knowledge of goods, etc., but quite a number of lectures are also reserved for subjects on general education and Co-operation. Already before they enter the school, many of the students have had practical experience in the Co-operative Movement, but during the time of their holidays they are given a chance to practice in prominent Distributive Societies. Finally, it might be mentioned that this school nowadays receives support also from the State. The schools of other Co-operative Organisations are generally of a much shorter duration. Amongst these, the school with the longest course of study, covering six to seven months, is the one that has been maintained for six years by the Estonian Co-operative Union (the mutual organisation for propaganda and professional training of the Distributive Societies as well as the Agricultural Co-operative Societies in Estonia). The object of the school is to train for co-operative service professionally educated book-keepers, business managers, shop assistants, etc.; the school is divided into two sections, one for the training of book-keepers, and the other for the training of shop assistants. With regard to the length of the courses, the next in order to be mentioned is the Swiss Co-operative College whose winter terms last for half a year. To the same group belongs also the Co-operative School of the German Co-operative Central Union, though its programme during the last few years has been confined to a term of five months. With regard to its programme, attention is drawn to the fact that a considerable time has been devoted to the theoretical study of Co-operation. However, even there the main part of the programme comprises such business subjects as book-keeping, business management, knowledge of goods, etc. Besides these, quite a number of hours are reserved for such subjects as insurance, taxation, legislation, collective agreements, etc. Students to the Swiss, as well as the German

co-operative courses, are selected from persons who already for a long period have been in the employment of some Co-operative Society. To these schools might also be counted the Co-operative School of "K.K.," annually lasting for 14 weeks, and on whose programme practical subjects come first. To the school are accepted shop assistants, branch managers, and clerks, who already for a long period (an average of five to six years) have been in the service of Distributive Societies, and who have taken part in the elementary correspondence course of "K.K.," described later on in this report.

In connection with these schools, maintained by the Central Organisations, also the Danish School for shop assistants deserves to be mentioned. It is closely associated with a People's College (hojshole), but its activity is mainly supported by the Central Organisation of the Danish Distributive Societies. The school is open from November to March, and three years' service in some Distributive Society is demanded of the students before they may enter the school.

Amongst such training courses, to which the word school no longer applies, may be mentioned the comprehensive co-operative training courses for advanced employees, annually lasting six to eight weeks, that are arranged by the above-mentioned Finnish Co-operative School, supported by the "Y.O.L." Particularly many-sided is the training course system of the Swedish Union ("K.F."). Its motto is: Special courses for special employees. The most comprehensive of the courses, lasting four weeks, which have been arranged during the last few years, have been the courses for shop managers. Two-week courses have been arranged for managers and secretaries of Distributive Societies, as well as weekly courses for shop assistants. In Norway the Central Organisation has organised courses, lasting a fortnight, for young managers and shop assistants for the purpose of increasing their knowledge of Co-operation. Also the Swiss Co-operative College has organised lecture courses of a fortnight's duration for advanced employees of Distributive Societies. In connection with training courses of this kind there might yet be mentioned the Co-operative Summer Schools, organised during the last few years at least in England, Sweden, and Finland (S.O.K.). At least, in Sweden, their programme also includes lectures on business management. However, amongst their students are also to be found members of the administrative organs of Distributive Societies as well as ordinary members of these Societies. In Finland, "K.K." has practised a special kind of summer school exclusively intended for co-operative employees, and primarily for shop assistants. Each summer it organises a kind of ambulatory summer school which during a couple of weeks travels round the country, seeing beautiful scenery and studying the activity of the more important Distributive Societies. During the course of the journey lectures are also given to the students.

To all that has been stated above might yet be added that still shorter courses are organised in some countries for special groups of employees. For instance, three-days' lectures are in Germany arranged for the benefit of shop managers. We mentioned already the weekly courses in Sweden for shop managers and shop assistants. In Finland "K.K." has experimented with quite short, provincial courses, lasting at the utmost two days, usually attended by employees from several Distributive Societies, particularly by branch managers and shop assistants, and at which officials from the Central Organisations lecture mainly on professional and co-operative subjects. Of course, lectures of this kind are in many countries organised by local Societies for the benefit of their own employees.

The education of employees in England differs considerably from the methods used in most other countries. There the professional training is principally given in such a way that students, drawn from the local Societies, are formed into classes for passing through special courses, the British Co-operative Union, however, being the leader and supervisor of the studies. The Co-operative Union has prepared a programme for various courses, and fixes the examination demands, besides having one itinerant teacher who is directing the courses. The Union further accepts responsibility for organising classes for advanced employees. The Union is also organising a postal course for employees who are unable to attend a class in their own district, as well as for advanced employees in certain subjects. However, in the Manchester district there is a special Co-operative School, organised under the auspices of the Manchester Education Authority. The aim of the special courses is to train co-operative employees right from the day when they enter into co-operative service up to the day when they are appointed to the highest posts, i.e., as managers and secretaries. They fall into two groups, those leading to the managers' diplomas and those leading to the secretaries' diplomas.

Postal course training in connection with the co-operative education activity has been introduced also in other countries than England. The Swedish Co-operative Union ("K.F.") has a very comprehensive correspondence institute, giving instruction in about 15 subjects by means of correspondence. The majority of the students are, of course, not employees, although even they constitute quite a big number. Students to the first mentioned salesmen's courses must first have passed through a postal course in specially mentioned subjects. In Finland "K.K." has also commenced to practise tuition by correspondence, but according to a different method. Its correspondence training is exclusively intended for a special group of co-operative employees, namely, for shop assistants who in two years have to pass the correspondence course in five subjects: Finnish, Co-operation, book-keeping, commercial arithmetic, and shop management.

Finally, it might be added that an effort is being made to improve the professional education of employees also, by means of special periodical reviews. At least the "K.K." publishes a bi-monthly review whose aim is to promote the shop assistants' professional education and to encourage them in this respect.

Already the above examples, though not making any claim to completeness, suffice to show, on the one hand, how different countries are in different stages of progress with regard to the promotion of professional training, and how the training methods vary in different countries. Still more multiplex becomes the picture if one commences to examine the programmes and processes of the professional training in the different countries. For instance, the inner proportions of theoretical and practical subjects vary considerably in programmes of co-operative courses covering a longer period, and in the same way vary also the number of hours allotted to different theoretical and practical subjects.

The promotion of the technical education of members of the Distributive Societies' administrative organs has also been attended to in many different ways in different countries. Many co-operative Central Organisations are organising various courses also for the benefit of members of administrative organs. In the United Kingdom, for instance, postal courses and week-end schools have been organised for members of management committees. The Central Union in Germany has organised provincial courses of a few days' duration for members of management committees, auditors, and auditing committees. At these courses members of administrative boards have been instructed in methods of book-keeping, balancing, and business auditing. With an eye to the needs of the members of administrative boards, many subjects such as book-keeping, political economy, legislation, etc., have in Sweden been included in the correspondence courses, and there the members of administrative boards also attend summer schools. In Finland people also attend the courses for shop assistants. However, the technical education of members of administrative boards in the different countries is mainly promoted by the publication of periodical reviews, dealing with theoretical and practical problems of Co-operation.

When one looks at the great variety of methods resorted to for the promotion of the technical education of employees and members of administrative organs, then the question arises: Would it not be useful if the Co-operative Organisations of various countries could collaborate with one another with regard to the technical instruction, to begin with at least so far as to send information to one another about their activity and their future plans? To my mind, it would be of great importance that the educationists of various countries, as well as the leading officials of the Central Co-operative Organisations, should be kept informed about the progress of the

educational activity in the different countries. Thus they would be bound to get valuable impulses, by which the educational activity of their own country would greatly benefit. The writer of these lines, who earlier has guided the educational activity of "K.K.," and who has been entrusted with the drawing up of programmes for the Co-operative School of "K.K.," knows from his own experience how many impulses he has been able to get from the educational work of other countries, particularly from that of Sweden, as the Co-operative Movement over there shows the biggest resemblance to our own. But it is certain that a great many impulses could have been got also from the Co-operative Movement in other countries if it only had been possible to follow closely their activities and projects. However, just this is impossible for most of the educationists. Already language difficulties limit such chances to a few countries. As the Co-operative Movement is spreading to an ever increasing number of countries, they also are reaching results worth knowing with regard to their educational work, so the language difficulties increase. On the other hand, even if this obstacle did not exist, it would still be difficult to follow closely what happens in various countries, as the reports about the results and projects of the different countries are so widely scattered in annual reports, in periodical reviews, etc., if they on the whole have been published at all. Who is able to collect publications concerning the educational work in all the different countries? Not to speak about the fact that in those descriptions of the educational work in various countries that one sees occasionally, one hardly ever finds such educational problems as programmes and educational methods being discussed in detail.

Thus it is very necessary that there should exist a publication where one would be able to explain the results and projects of co-operative technical education in all the different countries, and where one would have an opportunity to discuss these educational problems. To my mind steps ought to be taken to establish a special Co-operative Educational Review which publicists of the various nations would support, by regular contributions about the different educational methods in their respective countries, and, of course, particularly about all reforms. In a review of this kind it would also be necessary to explain the methods employed for different courses and subjects. Further, the educationists of various countries should in this review describe the means of instruction, on the expediency of which the efficiency of the instruction greatly depends, particularly in such subjects as knowledge of goods, the art of advertising, etc. Of course, a review of this kind would have to be published in all the official languages of the I.C.A., enabling all those who understand any of these languages to follow the progress.

A periodical review of the kind described above could, of course, be established only under the auspices of the Secretariat of the

I.C.A. Such a review would in all probability also be a mutual one for all the co-operative educationists.

But the establishment of such a review would necessarily demand an increase of the staff of the I.C.A. Secretariat, as it is evident that this staff could not be overburdened with more work. On the other hand, it is just as evident that an increase of the staff is out of question if the income of the I.C.A. were to remain as it is at present. The General Secretary of the I.C.A., Mr. May, has recently shown how laughably small are the funds of the I.C.A., although they ought to suffice to remould the whole of the present economic system. My suggestion, consequently, depends essentially on the readiness of the Co-operative Central Organisations of various countries to supply the I.C.A. with more funds than what they are doing at present. For my own part, I would not like to doubt their readiness to do this, and I only beg to support the proposition made by Mr. Toivonen in his report to the Central Committee of the I.C.A.

To my mind, however, something could be done in this matter already before the realisation of the above proposition. Some space could probably be reserved in the "Bulletin" for articles and news of this kind, and an effort should be made to induce educationists of all the different countries to supply the said periodical with regular contributions. The "Bulletin" would evidently have to be enlarged for the purpose, but that would in any case be cheaper than the publication of a special review. At least, we venture to believe that this plan could be financially realised in the near future.

Another means might also be thought of for making the technical education experiences of various nations better known in other countries than at present, i.e., the I.C.A. International Summer School. This interesting experiment has hitherto proved itself to be full of vitality, but perhaps still greater benefit could be derived from this school if it were exclusively put to serve the aims of propagandists and educationists. Up to now the courses of this school have been attended by co-operators of greatly differing standing—principally by officials doing all kinds of different work at the Central Organisations, but also by a lot of employees from local Societies, as well as by ordinary members of Distributive Societies. The programmes have, consequently, been drawn up in accordance with the audiences, primarily consisting of popular lectures, particularly of such ones dealing with the results and methods of the Distributive Movement in various countries. According to the experiences gained by the writer of these lines from the one and only summer school course he has attended, the often high expenses of the students might, to my mind, be spent in a better way, if the aims of the summer school would, at least in the main, be limited to serve the special needs of propagandists and

educationists. Then the school would each time shape itself into some kind of a special conference for propagandists and educationists where lectures of prominent experts would form the basis for a discussion of the special questions of propagandists and educationists. This step could at least be easily taken in so far as it would demand no additional expenses. Such a transformation of the programme of the International Co-operative Summer School would evidently lead to a better collaboration between the educationists than is the case at present. More benefit could in all probability be derived from such a transformation of the summer school than from the establishment of some kind of union of propagandists and educationists, although such a union might be a further completion of this measure.

There is yet reason to mention one task that in all probability could well be left to the I.C.A. to take care of. It is the preparation of educational films. Mr. Toivonen has already mentioned in his report how international propaganda films could be brought about. But one would imagine it should not be outside the scope or the ability of the I.C.A. to prepare such films as could be used as educational means at various courses; for instance, films that would deal with the handling of goods, the interior of shops, the treatment of customers, etc. Of course, it must be admitted that the production of common films is rendered more difficult by different conditions prevailing in different countries, as there are so many different methods and demands, but one might, however, conceive big groups of countries for which common films might be prepared. In this way one would save by common expenses, and educational films might benefit also those countries which, from fear of big expenses or other reasons, do not prepare such films themselves.

Referring to what has been stated above, I beg to submit the following resolution to be accepted by the Conference :—

“ The Conference of propagandists and educationists, held in connection with the Stockholm International Co-operative Congress, considers it to be indispensable for the progress of the Co-operative Movement that co-operative employees and members of administrative boards are technically trained and instructed in co-operative principles. Consequently, it is to be desired—

“ (a) That a mutual information system should be established also in the international domain of co-operative professional education, as well as other collaboration for the promotion of co-operative educational work in all co-operative countries, and that the I.C.A. should serve as the principal central organ for this collaboration.

“ (b) That the I.C.A. ‘ Bulletin ’ should be partly moulded into an organ for the regular exchange of information and thought about professional education.

“(c) That in the programme of the I.C.A. Summer School more space than hitherto should be allotted to special questions in connection with professional education.

“(d) That the I.C.A. Secretariat by and by should proceed to plan co-operative educational films for the common needs of the various countries.

“The Conference delegates express the hope that the Central Committee of the I.C.A. will draw up for the next Congress of the I.C.A. a proposition dealing with the collection of funds necessary for the realisation of the above scheme, and that the National Organisations will take up a favourable attitude towards these propositions.”

DISCUSSION ON THE PAPERS.

Mr. ONNI TOIVONEN, introducing his paper, said : You will see from the propositions on the Agenda of this Conference that we Finns have come here to seek assistance in our advertising and propaganda methods. As Archimedes said : “ Give me a place for my lever and I will move the world.” So we say to you in our way, “ Give us your ideas and we will remove the obstacles which stand in our way.” The wish of Archimedes remained unfulfilled and the earth continued in its usual course. But we hope to be more successful and, like the other organisations in membership with the I.C.A., obtain assistance in our advertising and propaganda work.

The question on which I wish to speak, namely, the furtherance of co-operative advertising and propaganda, arises from two causes. In the first place, co-operative advertising and propaganda methods are not so rich in ideas as those of private trade. Secondly, Co-operative Organisations can easily, and without incurring heavy expense, develop their propaganda and advertising, if only it is done systematically. In this connection I will not touch the theoretical question whether a Co-operative Society should engage in advertising. This question has been answered in practice. Everyday needs have made it necessary for Co-operative Wholesale Societies to advertise their productions, and, for Distributive Societies to advertise the advantages which they offer to the purchaser. Therefore, Co-operative Organisations have had to engage in advertising, and since we have been forced to take this course it is only natural that we should discuss the question how to develop our propaganda as effectively as that of private firms.

We have made a few practical suggestions in our paper, with a view to developing co-operative methods of advertising and propaganda. The suggestions are not revolutionary, they do not aim at new methods, but are merely of improving organisation. The fundamental principle is that the National Unions should have

mutual relations with each other in order to exchange ideas and experiences as quickly as possible, between one country and another. By this means a new impetus would be given to the advertising and propaganda activities of the National Unions. Whether our proposals succeed in their purpose must be left to the judgment of the delegates present, but I hope that the underlying idea which I have just expressed will not be disputed. Yet another important idea is embodied in our proposals. In my opinion the time has arrived to develop the I.C.A. into a practical consultative Organisation. In the same way that the National Unions have to be in constant touch with their members, instilling into them the co-operative spirit, imparting new ideas, devising the best means for propaganda purposes and taking the necessary steps to ensure that the Co-operative Societies receive these ideas and put them to the best use, so the I.C.A. should assist its members by giving them practical advice.

With this end in view we propose that the "Bulletin" should develop a four page technical propaganda section; that the I.C.A. should begin to produce good propaganda films; that the exchange of propaganda material between the National Unions should be arranged regularly; and that the Alliance should also publish suitable leaflets, pamphlets, etc. There can be no question of financial difficulties if the activities of the I.C.A. are extended in the way suggested. The I.C.A. would have an income from the sale of films, posters and propaganda material in general. For such things there will always be purchasers in countries which are carrying on active propaganda. The members would also support the Alliance by increased subscriptions.

I hope that the delegates at this Conference will agree to the proposal submitted by "K.K.," in which case it would be left to the Central Committee of the I.C.A. to put them into operation.

Professor CHARLES GIDE (France): I must ask to be excused for speaking on a purely technical question, but what has struck me in Mr. Toivonen's report is the phrase "The Psychology of Advertising," as the heading of a paragraph which only contains four lines. I do not think that is enough; it should be at least 400 pages. . . .

The psychology of advertising is, truly, a question of capital importance. I am alarmed to see how many co-operators borrow all their methods and all their weapons from private traders. The traders establish branches; so do Co-operative Societies; the traders give premiums; Co-operative Societies—in certain countries at least, such as Switzerland—also distribute premiums; the traders advertise and cultivate publicity; Co-operative Societies dream of doing the same. Of course, when one is fighting an enemy, it is natural to vanquish him with his own weapons; that is what happens in war. But the war which we wage against

private traders is not the same as that waged on the field of battle. Our war against the private traders has for its object, not only their suppression, but to replace the present commercial world by a new and a better one. When, therefore, we borrow the methods and weapons of private traders and of commerce, we must transform them and use them in a new spirit. If we also wish to advertise and make use of publicity we must conceive those things in a different way from that of the traders. This is the distinction that I would have liked to find in Mr. Toivonen's report.

What is the object of the private traders in advertising? They aim at suggesting new needs to the purchaser, at causing him to spend money and to consume more. The art of the merchant, the supreme art, is to act in such a way that the purchaser, on leaving his shop, carries away with him not that which he had come to buy, but things of which he had no need and of which he had not even thought. Well, it is this process of suggestion from the trader to the purchaser, inspiring the latter, I repeat, with new needs, which we must absolutely condemn. The rôle of Co-operative Societies is not to lead their members into expense. If they wish to advertise—and I say nothing against it—it must, in the first place, be moderate. If one thinks how much the millions and milliards of commerce depend on publicity and advertising, it is certainly not an example to set before Co-operators. They must economise in this direction. If, however, you think that advertising and publicity are necessary, our methods must present the following characteristics :—

First, they should be indicative, in the form of information supplied to the purchaser, without stimulating and without any thought of exercising pressure upon him. You must say to the purchaser : "This is what we have ; we have told you the truth about it. That is all."

The second characteristic of advertising is that it should be educational. Advertisements of Co-operative Societies should educate the consumer. One should say to him, for example : "You would be well advised to buy this ; you would do well to abstain from buying that." I know very well that we cannot ask each of our saleswomen and salesmen to become professors of hygiene or of morals ; our shops would soon become empty if we did so. But we can, at least, by means of advertising by posters and by newspapers, give that education to the consumer, which is so important, and which consists in teaching him to buy the thing which combines the maximum utility with the lowest price. As regards foodstuffs, the consumer is absolutely ignorant. He spends on this or that article much more than on another which would supply him with nourishment of a much better quality. It is in this direction that advertising and publicity should be carried on, and I should like the role of advertising and publicity with

regard to articles of consumption to be indicated and defined. With this object, I have drawn up an amendment which could be added either at the beginning or the end of Mr. Toivonen's resolution. Its text is as follows :—

“ Advertising by Co-operative Societies should never aim at leading the consumer into expenses by creating in his mind the idea of factitious needs. But it should be of an educational character by pointing out to purchasers the most advantageous articles of consumption, both as regards price and quality.”

Mr. SIERAKOWSKY (Germany) : The technical side of the question propounded by our friend Toivonen can well be accepted. As a matter of fact the question at present is merely a technical one but is probably of help to practical propagandists. I do not intend to enter into all that his paper contains. He wishes that the propaganda ideas of one Union should be placed at the disposal of other Unions, so that they also could share in the benefits, and that this exchange should be organised co-operatively. If Mr. Toivonen's suggestion be submitted to the proper authorities we will then see whether it can be realised.

The objection of Professor Gide should prevent Mr. Toivonen in future from confusing two different things as he has done throughout his paper. I hope that is due solely to a misunderstanding. Advertising and propaganda are two quite distinct things. Advertising belongs to the category of the economics of private trade but Co-operative Societies have nothing to do with private economy. If we have recourse to means employed by private economy in order to make our own economy reasonable, then we run parallel with it. As Professor Gide has said, we must imbue these methods with our spirit. This will never happen if we advertise a cheap line of goods by big posters. With such means we may succeed once or twice in impressing the masses of consumers, but they would leave us again as soon as the Society ceased to offer the special benefit and would not come back. This has been experienced in every country.

But the point at issue is to convince the organised consumers that the Co-operative Society, in this particular instance the Consumers' Co-operative Society, is able to definitely mould the economy of the household. The Consumers' Co-operative Society will only be able to exercise its influence if it has to deal with persons educated in the principles of Co-operation who not only believe that better times are coming, but also realise that the very opposite of private economy, namely, the Co-operative Society, is the better thing. If the Society has not people of this kind to deal with it may be able to record momentary successes, but in the long run it will suffer.

Professor Gide stumbled on a few lines in these proposals and I have stumbled likewise. It is not quite correct to say, as is said here, —“ It is hardly necessary to state in this connection that the old

theory according to which the Co-operative Movement is in no need of advertising no longer can be applied to practical activity." My friend Toivonen, this is not quite right. If you will take note of what Professor Gide has said and what I intended to emphasise, you will have to come back to the old theory that the Co-operative Movement is based on the masses of co-operatively educated, thinking, and acting people. And now a few observations; we have employed many means in Germany in order to approach our members. We are satisfied that it is useful to bring about an exchange of ideas, and are convinced that in this respect we can learn a good deal from Sweden, Finland, and other countries, therefore, the proposals of our Finnish friends are very useful.

Advertising, as carried on by private trade, is a means of incitement; it is a step into the dark—into the uncertain; it is directed either against those who are not sufficiently wise to distinguish and who lack a sense of judgment, or against the superficially-minded who fall into any trap. The means employed are chosen accordingly.

What is understood by Co-operative Economy? According to the present economic law it is no doubt a question of achieving the best with the smallest means. If we accept this definition as correct, and no doubt it is correct, is it consistent for us to engage in advertising? Is it permissible for us to employ the same means which private trade employs when the whole world is organised by trusts which are able to set up huge advertising apparatus? A few months ago a great advertising campaign was started in Germany for a well-known soap powder, even aeroplanes were used to write the name of the soap in the sky. When co-operators said that our Wholesale Society should do the same we said "No." The German C.W.S. and Consumers' Societies must use propaganda means which are suited to their needs, which will educate their members and prove to them that co-operative soap powder is quite as good, or better, than that of private manufacturers. We cannot indulge in the illuminated advertising employed by private trade. Just imagine going through a street for ten years and seeing an illuminated advertisement and then ask yourselves whether that advertisement meets with the success which its promoters anticipated!

One thing more in conclusion. We must make a clear distinction between means for advertising and propaganda, and our Press and Propaganda Exhibition is well adapted for this purpose. It contains a large amount of advertisements of a private economic character and also a good deal of propaganda which is well suited for us.

The PRESIDENT: I would call the attention of the Conference to the fact that I have already the names of five delegates who wish to speak on the first report. I propose that after we have heard these five speakers and the reply of Mr. Toivonen we should take the resolution on the first paper. Each speaker will have five minutes.

Mr. P. J. RABINOVITCH (Russia) : We think that, in general, there is far too much advertising in the Co-operative Movement and too little propaganda. If we examine the exhibition we shall have to agree that in nearly every country the question of advertising co-operative goods takes up about 90 per cent. of the material propaganda and educational work. It is not my intention to boast about the nature of the exhibition which represents the propaganda of the U.S.S.R. ; but I think I shall be right in saying that the nature of our propaganda has more to do with the real propaganda of co-operation—such as Professor Gide has in mind—than that which we see in the other national exhibits. We fully recognise that we should not be able to do sufficient work for the Co-operative Movement if we had not the great masses on our side, and if they did not know the work our Co-operative Societies are doing. That is why we in the U.S.S.R. pay so little attention to advertising goods and so much to the work of the societies. We are doing a great work in the interests of the people. To this end we invite as many as possible to take part in the control of the societies and prepare workers, from the masses of the co-operators themselves, for this task. I will mention, in a few words, what we are doing in this direction of mass propaganda. We organise lectures, debates, publications, concerts, exhibitions, mock trials, etc. In many cases this work is carried on by the town workers through their reading rooms. We organise special celebrations—especially that of “Co-operators’ Day.” Hundreds of thousands of co-operators engaged in this year’s “Co-operators’ Day.” In 1926 the Soviet co-operation drew into its ranks about 90,000 new members, and increased its capital by 500,000 roubles. We have our co-operative clubs and libraries and co-operative circles for the training of active members. We have co-operative classes and meetings of women with the aim of drawing them into the practical work of the Movement. We are extending these meetings and women’s study circles, as we know they serve as means of drawing the toiling masses of the women into our special work and there the women are taught to participate in the practical work of Co-operative Societies. We have also Mother and Infant Corners. These sell all sorts of articles required for the mother and infant and also carry on our propaganda among the mothers and the children. These are some examples of the mass propaganda carried on by the co-operators in our country. Having to deal with the competition of private traders, the Co-operative Societies in Great Britain, France, Germany and some other countries cannot avoid advertising, but it would be a great mistake if this were to take up the whole place of propaganda in the movement. The Russian Co-operative Movement has, in the matter of mass propaganda, worked well. We would be very glad if some of you co-operators would agree to organise an excursion to our exhibition to see the ways in which propaganda is carried on in Soviet Russia. The Soviet Government is fully supporting the

Co-operative Movement and in nearly all the Russian schools, and especially in the technical schools, there are special branches for those who want co-operative education. Therefore, we propose a motion which goes to the root of education work. We think the economic importance of the movement justifies the expectation that the Co-operative Movement should receive a subsidy from the State so far as its educational work is concerned.

Mr. M. A. GUILLEVIC (France) : While agreeing with the remarks and suggestions so happily presented by the writer of the paper, we venture to draw his attention to an important point which he has inadvertently omitted in his resolution relating to propaganda by means of the film.

It is, of course, a matter of great interest that the National Movements and the International Co-operative Alliance should take the necessary steps for the exchange of films between the different sections of the Alliance, but it has not been pointed out that one of the difficulties with regard to such an exchange is the high customs' duties. We, therefore, think it important to add the following amendment to the second paragraph of Mr. Toivonen's resolution :—

“ The Conference demands that the customs' duties, which constitute a serious obstacle to the dissemination of educational films prepared in the various countries, should be considerably reduced.

“ It, therefore, requests the Central Organisations of the Alliance to take all necessary steps to attain this result.”

In conclusion, I would point out that, in our amendment, we have not made any reference to the Organisations to which the Alliance must address itself. We leave it to decide whether to apply to the I.L.O. or to the International Institute of Intellectual Co-operation. But I would ask first the writer of the paper and then the Conference to accept this amendment which, in our opinion, is extremely important. I would also like, in this connection, to give one illustration : A little while ago, on wishing to introduce a foreign film into France, the customs demanded more than 3,000 francs for import duty. It is evident that if the Alliance does not take such precaution in this respect any efforts it may make for the exchange of films will be useless.

Mrs. HELEN KRAVCHENKO (Russia) : It is necessary in the interests of the rapid development of co-operative ideas to draw the attention and to obtain the sympathy of the workers and peasants to co-operative education. We consider that one of the best methods of co-operative education and the propagation of co-operative ideas lies in the amelioration of the daily life of the working woman. The establishment of Organisations for freeing the women workers and peasants and the housewives from household

cares is the surest road to attract those who are not yet co-operators towards co-operation. With this end in view, co-operation carries out a fixed task : the organisation of co-operative circles, children's gardens, consulting rooms, and similar enterprises which will help towards the liberation of the working woman. In places where this is done we find that there is a considerable increase in the number of women shareholders. A great many Co-operative Societies have commenced to create funds for the amelioration of the life of the women members of the societies. The necessary money is provided by previously deducting a certain sum from the dividends and by the amounts contributed by the women members themselves. In capitalist countries special requests have to be made to the municipal authorities in order to obtain permission to establish similar institutes and, moreover, before they are opened, public experiment must be carried out at the expense of co-operators.

Let us pass now to the question of courses of instruction. In order to attract the working woman to co-operation and to spread co-operative ideas among them we think it necessary to include in the programme of all co-operative courses of instruction, questions most nearly related to the interests of the woman worker, the peasant, and the housewife, and even to deal with such questions as the amelioration of daily life, the reduction of prices, the construction of dwelling-houses. Besides this, we believe that, for the co-operative education of the peasants, it would be advisable to organise preliminary classes by means of which it would be possible to implant co-operative ideas into the great mass of the working population.

In a word, the establishment of organisations to facilitate the life of the working woman, and to liberate her must be recognised as one of the methods for the development of co-operative ideas. One must also consider the creation by co-operative societies of special funds for this object.

The PRESIDENT: To save time, and in agreement with his colleague, Mr. Keto will first reply to the criticisms on the paper presented by Mr. Toivonen and then introduce his own paper.

Mr. J. W. KETO (Finland): My colleague, Mr. Toivonen, is pleased that his practical proposals have not been seriously objected to by anyone, and it seems to him that all the speakers are in agreement with him on most points. On the other hand he regrets that the discussion was not centred more particularly on his practical proposals instead of on the question of theory. In fact Mr. Toivonen thought it unnecessary to discuss the theory of advertising, he had taken for granted all that Professor Gide has said, and is in full agreement with him. But if it is considered necessary to emphasise the fact that co-operative advertising and propaganda must not create fictitious needs for the consumer he has no objection to an amendment as suggested by Professor Gide being added to our resolution.

With regard to the speech of Mr. Sierakowsky, my colleague is of the opinion that it does not really matter what sort of label is attached to the question. It really depends on the nature of the undertaking. He maintains that what he said about the old conception of the necessity of advertising still holds good, and this is also demonstrated by our Press and Propaganda Exhibition. Practical requirements have made advertising a necessity for us. When he says that we must use films, posters, etc., he designated all these kinds of propaganda as advertising. He thinks that we must make a far greater use of all these things than we have hitherto done. It is with the help of these propaganda methods that we must make our existence known to the unorganised consumers and draw their attention to our Movement.

This is the purport of his proposals.

With regard to educational work proper, we are, of course, in complete agreement on the necessity of this work, and we are doing it very intensively. In a country of 3,000,000 inhabitants, our Organisations, we have two Central Organisations in Finland, arranged last year over 1,000 social evenings which were attended by about 350,000 persons. All this is propaganda work.

With regard to the amendment of the Russian delegates, we think it unnecessary to adopt it. It is very difficult to decide a question such as the one raised in the resolution that the State should subsidise propaganda work.

We are agreed on the necessity of abolishing duties on films and accept the amendment.

The PRESIDENT: As our meeting this afternoon is in the nature of a Conference we cannot take a regular vote on the questions before us. We can only express those wishes on the subject with which everyone is agreed. I think, therefore, that we can agree to the report of Mr. Toivonen with the amendments accepted on his behalf by Mr. Keto.

With regard to the second paper by Mr. Keto, three speakers have already sent in their names. When they have spoken, Mr. Keto will reply.

Mr. G. M. RATNER (Russia): I would like to tell you our experience in regard to the activities of the Agricultural Co-operative Movement in this respect. All present agree that it is a co-operative duty to meet cultural and social needs. In the capitalist countries all the resources of capital are used in order to educate the people in the interests of the possessing classes. In plain words—the individualists are in direct conflict with co-operative principles. Modern capitalist methods endeavour to produce men who will be true to capitalism, who have assimilated the ideology of private egotism. Our co-operative duty consists in overcoming this practice by our scientific methods of education.

The practical work of Co-operative Societies cannot, and must not, be limited to the technical education of their employees. The millions of workers and peasants who, as members, are appointed to the Management Boards, expect from us real cultural activities which will be helpful in cultural and public matters.

The activities of the Russian Co-operative Societies, especially the Agricultural Co-operative Societies, could only develop after the Revolution. The Tzarist Government did everything to hinder the education of the people. The Revolution has made it possible to bring cultural and social life to the workers. Our practical co-operative work serves the interests of the workers generally. The members of our Management Boards are not experts who have devoted their whole life to the work, but the representatives of the workers who to-day act as members of the Management Boards and to-morrow follow their usual agricultural pursuits.

I would like to tell you something about the cultural work among the peasantry. Our administration in Russia comprises 5,000,000 peasant families. The demand of the peasants for this cultural work is enormous. The peasants show very great interest for the Agricultural Co-operative Circles, of which there are to-day 1,500. Apart from cultural questions in general, these Circles study the progress and technical development of Agriculture. Other means employed are public lectures on agricultural and co-operative questions. About 7,500 of such lectures were given in 1926. These methods enable us to disseminate the co-operative idea among large sections of the peasantry and to overcome the influence of capitalist elements and the remains of Czarism. The peasants begin to realise the great importance of co-operation, which, after the overthrow of Czarism, has led the way to the reform of agriculture to the socialist form of society. But it is not only by theoretical, but more by practical examples that the co-operative idea is disseminated. Our Co-operative Societies organise seed-testing stations, cattle-breeding and other experimental activities which form an excellent example to the peasants that co-operation gives better results than individual efforts. We have in Russia to-day about 4,000 co-operative seed-testing stations, 2,500 cattle-breeding, and 3,000 machine-testing.

Mrs. E. FREUNDLICH (Austria): I would like to come back to the Agenda. I think we are engaged in the discussion of the proposals submitted by the reporter, Mr. Keto, and would draw your attention to two things. In my opinion, it would be very valuable if we were to begin with a reciprocal exchange of our employees, a process which has already been started between England and Austria. We have sent some of our young people to England for a few months, and the English Wholesale Society has made it possible for young English co-operators to come to Austria. Thus they become acquainted with the practical side

of the respective Movements. I am always under the impression, and you will agree that I have wide experience in this matter, that no matter through how many countries one may travel and visit co-operative establishments and factories, one nation learns appallingly little from another. It is much more important that we should make it possible for our young people to stay in another country to study the Co-operative Movement; to come into contact with the members and leading officials; and thus gain a real understanding which is an essential condition for international collaboration.

Further, I would like to point out that there is a great obstacle in the way of the exchange of young co-operators, namely, the many laws and regulations for the protection of the national labour market. We in Austria have to promise the State Authorities that we will not pay wages to these young people. We have to find means to maintain them, without actually paying wages, as they would otherwise be competing with our own workers and would have been refused an Austrian visa.

There is still another point to which I would like to draw your attention. I hold that the international exchange of experiences has its limits. I travel to so many countries, talk with many co-operators, and become acquainted with every possible thing, various kinds of activities and intellectual work, but I have found that the methods employed in one country cannot be adopted in their entirety in another country. Let us make a comparison between Sweden and Austria. I honestly admire our Swedish friends, but when I read that it is possible in Sweden for members to contribute 100 Swedish Crowns (200 Austrian Schillings) towards a share I am astonished. I must confess that even the best agitator would be unable to obtain 200 Schillings from the impoverished Austrian people.

The third point I would like to touch upon is women. In our Women's Conference we discussed what could be done to educate purchasing women to become efficient managers. It is frequently said that women have not the capacity to fill such high offices, but I know quite a number of women in my own country who have had to manage big economic enterprises. They own establishments which must be administered. Women are not educated to do this. A number of women are very capable in leading positions and certainly quite as efficient as men. It is a very remarkable fact that in the co-operative courses for the training of business managers which are being held in the various countries none of the students are women.

May I appeal to the chiefs of Educational Organisations, who are charged with the task of national propaganda, that they should see to it that women are sent to attend the classes for business managers. Our experience in our Labour High School in Vienna is

that co-ordination is nowhere so necessary as in the Boarding School. I am convinced that women will not be appointed to leading positions in the Movement until we give them the same possibilities of training as the men. It is not right to say that co-operation knows no privileges so long as we have to admit that men regard our educational institutions as their monopoly. We are not only against trusts and monopolies, we are also against trusts and monopolies by men.

Mr. J. W. KETO (Finland): The Finns have taken the initiative in proposing this Special Conference on Co-operative Education and Propaganda because they thought that the consumers' co-operative activities of the various countries could learn a good deal from each other in the sphere of propaganda and that for this reason they should collaborate. We think that the International Co-operative Movement has got its own organ, namely, the Secretariat of the International Co-operative Alliance, which must now be adapted to become its apparatus. Recognising all that the Alliance has done for the International Co-operative Movement, we believe that the time has come when a beginning should be made to develop this apparatus of the I.C.A. in order to deal with the technical questions of the various National Movements, especially as the financial position of the Alliance has recently so greatly improved. In view of these facts we have ventured to submit our proposals. I am pleased that my own have been so little criticised, and hope that you will adopt them unanimously.

With regard to the observations of the first speaker, I think that they had really very little to do with the subject, and besides, Mrs. Freundlich has already said what I intended to say, so that I need not reply more fully.

I also realise the usefulness of the idea expressed by Mrs. Freundlich about the exchange of young co-operators, but it has its limitations. It cannot apply to all, and the young persons concerned must know the language of the respective countries in which they are to take an active part. It is always the best and most capable elements who know foreign languages and, on the other hand, it is only the big countries that come into question, never the small ones, whose languages are practically unknown. But surely Mrs. Freundlich does not mean that the small countries have nothing to show which might not serve as a model to other countries.

I will not take up more of your time, because, as I have already said, my propositions have been so well received. I only hope that the organisations in membership with the I.C.A. will show the same goodwill towards our proposals.

Mr. A. HEDBERG (Sweden): The papers discussed to-day have aroused a very lively interest, and it is a very great pity that there is not enough time to go into their technical details. Mr. Toivonen

has written about the possibility of utilising the " Bulletin " more. It is for us to send the necessary articles to the " Bulletin " if we would transform the " Bulletin " into a technical paper and to carry on there the very interesting discussion begun here to-day by Mr. Toivonen and Mr. Keto. There are some controversial points ; but I feel convinced that the greater part of the criticism is due to misunderstanding. All of us can agree, when we sit down to discuss in detail the points about which criticism has arisen, that whatever we think of the methods recommended by Mr. Toivonen, the development of Finnish co-operation has been more rapid in proportion to the population of the country than has been the development of co-operation in any other country at any other time. That fact must not be overlooked when we discuss the methods employed in Finland. The success of the movement there is largely due to the methods of propaganda, and whatever else we do we can only gain by studying those methods. I would like to propose a vote of thanks to Mr. Toivonen and Mr. Keto for their papers.

The PRESIDENT : I think that we unanimously agree with the remarks of Mr. Keto and with his paper. I also associate myself with you all and, equally, as President in the congratulations which our friend Hedberg has addressed to the two reporters. They have prepared extremely interesting documents for the Alliance, documents which, I am sure, will form the basis of future work and of other Conferences such as this.

The International Co-operative Alliance will increase its vitality as it becomes more technical, more exact, and more explicit.

The International Co-operative Press and Propaganda Exhibition in the Konsertthus, Stockholm, 11th to 18th August, 1928.

The Exhibition of the Co-operative Press and Methods of Propaganda organised in connection with the Congress proved a success in the variety of its exhibits, the number of journals and publications it revealed, and the art and originality displayed, not only in the setting out of the stalls but also in the skilful combination of colouring and taste, with which our friends of Kooperativa Förbundet invested the Exhibition as a whole. It is impossible to give here a description of the various stalls. We must content ourselves with a list of the exhibitors and the declaration that in combination they produced an excellent demonstration of the progress of International Co-operation in the subject matters of their displays.

The organisations taking part in the Exhibition were :—

THE INTERNATIONAL CO-OPERATIVE ALLIANCE.

AUSTRIA	Verband deutsch-österr Konsumvereine, Vienna.
BELGIUM	L'Office Coopératif Belge, Brussels.
BULGARIA	Comité Nationale de la Coopération Bulgare, Sofia.
CZECHO-SLOVAKIA ...	Ustredni Svaz Ceskoslovenskych Druzstev, Prague. Verband deutscher Wirtschaftsgenossen- schaften, Prague.
DENMARK	De Samvirkende Danske Andelsselskaber, Copenhagen.
ESTONIA	Eesti Uhistegeline Liit, Tallinn. Eesti Tarvitajateühisuste Keskühisus, Tallinn.
FINLAND	Suomen Osuuskauppojen Keskuskunta, r.l., Helsingfors. Kulutussuuskuntien Keskusliitto, Helsingfors.

FRANCE	Fédération Nationale des Coopératives de Consommation, Paris.
GERMANY	Zentralverband deutscher Konsumvereine, Hamburg. Grosseinkaufsgesellschaft deutscher Konsumvereine, Hamburg.
GREAT BRITAIN	The Co-operative Union, Limited, Manchester. Co-operative Wholesale Society, Limited, Manchester. Scottish Co-operative Wholesale Society, Limited, Glasgow. Co-operative Productive Federation, Leicester.
HOLLAND.....	Coöperatieve Groothandelsvereniging "De Handelskamer," Rotterdam.
✓ JAPAN	Sangiokumiai Chiuokai, Tokyo.
LATVIA.....	Centrāla Savienība "Konzums," Riga.
LITHUANIA	Lietuvos Koperacijos Bendroviu Sajunga, Kaunas.
NORWAY	Norges Kooperative Landsforening, Oslo.
POLAND	Zwiazek Spoldzielni Spozywcow, Warsaw. Revisionsverband ukrainischer Genossenschaften in Lwow, Lemberg.
ROUMANIA.....	Centrala Cooperativelor de Productie Si Consum, Bucharest.
SWEDEN.....	Kooperativa Förbundet, Stockholm.
SWITZERLAND	Verband schweiz. Konsumvereine, Basle.
U.S.S.R.—	
RUSSIA.....	"Centrosoyus," Moscow. "Vsekobank," Moscow. "Selskosoyus," Moscow.
UKRAINE	"Wukospilka," Charkow. "Knyhospilka," Charkow.
WHITE RUSSIA	"Belcoopsoyus," Minsk.
GEORGIA	"Tsekavshiri," Tiflis.
ARMENIA	"Aycoop," Erivan.
AZERBAIDJAN.....	"Azerittifak," Baku.
U.S.A.	The Co-operative League, New York.
THE INTERNATIONAL	CO-OPERATIVE WOMEN'S GUILD.

THE INTERNATIONAL CO-OPERATIVE ALLIANCE

occupied a position of prominence in the Entrance Hall, where its artistic Pyramid,* bearing upon its three sides, in the three official languages, an epitome of the history, aims and constituents of the Alliance, attracted much attention and approval. The Pyramid was flanked by a stall displaying the publications of the I.C.A. and showing the development of its BULLETIN from a typewritten sheet.

The opening ceremony took place on the afternoon of Thursday, 11th August, in the presence of a goodly company of co-operators, including the students of the International Co-operative School and the delegates to the Women's Guild Congresses, both National (Swedish) and International.

Mr. H. J. MAY, General Secretary of the I.C.A., presided, supported by Mr. Axel Gjöres, Dr. A. Suter, Mr. Bernhard Jaeggi, Mr. A. Johansson, Mr. Anders Hædberg, Professor Hall, Mr. R. Molin, and many others. Opening the proceedings, Mr. May, in a brief speech, said this was the third attempt of the I.C.A. to organise an Exhibition in connection with its Congresses. Stressing the importance of propaganda and educational work to maintain the enthusiasm for ideals and to promote economic progress, he proceeded to express great appreciation of the manner in which the local organisation of the Exhibition had been carried out by the Swedish Union. Mr. May concluded by calling upon Mr. Axel Gjöres (Director of Kooperativa Förbundet) to declare the Exhibition open.

Mr. GJÖRES said: In one of the many newspaper articles which, in view of the imminent Congress of the International Co-operative Alliance, have been devoted to co-operation in the Swedish Press there have been statements to the effect that, no matter how much opinions may clash in respect of the Co-operative Movement, its unique development is nevertheless evidence of the fact that this Movement is rooted in an actual need, and likewise proof that the Movement satisfies this need. This statement harbours an irrefutable truth. The Movement, which at the present moment is spread all over the civilised world, embraces 50,000,000 households, and is a manifestation of the need of the masses of consumers improving their standards of living by co-operation based upon self-help and self-reliance, and the constantly growing results go to prove that, in an incessantly increased degree, it fulfils the hopes and anticipations entertained of it by its adherents.

The work of co-operation within the spheres of production and distribution are naturally the primary factors, and it is only by manifesting its superiority in this direction over other forms of enterprise that the Movement has hitherto gained its enormous success. This is also the only condition under and upon which this

* See text on page 286.

world-wide Movement will in the future be able to gain more and more ground.

The work of propaganda is, therefore, no prime object of co-operation, but neither do I wish to assert that it is of a secondary nature. Propaganda runs parallel to the purely economic activity. As a matter of fact its duty is to make it clear to the large groups which are as yet without the pale of co-operation, what this work actually means, and by so doing animate them into getting into touch with the Movement. To use the words of the old British Co-operator, George Jacob Holyoake: "Propaganda has to switch the minds of the people into the tracks of Co-operation." But our propaganda, and especially our Press, has also another and still more important task to perform. It has to take charge of the education of the constantly growing membership, to acquaint them with the fundamental principles of co-operation, and the conditions for the continuance and improvement of this Movement. It has, in this connection, also to make them conversant with those laws and regulations which govern the world of economics. In those economic republics which the Co-operative Societies compose there exists perfect democracy, and every member, in virtue of the co-operative constitution in force in all those countries where the Movement has developed in full agreement with the Rochdale principles, has an unrestricted right to influence the development and character of the Movement by participating in the meetings of members.

The development of the shape and form of the co-operative enterprise will thus be dependent not only upon the intellectual standpoint of the members, but also upon their insight into, and knowledge of, all the factors that influence the result of our work. It is specially and particularly this economic and co-operative work of education which our Press has to look after and safeguard. The calm and steady development of co-operation in all countries where it has been in enjoyment of liberty of movement necessary for its development, and the imposing results which the Movement, as a whole, is able to boast of now within the various scopes of production and distribution, are material expressions of the growing and improving co-operative insight amongst the vast masses of consumers, and of the strongly growing fitness of the co-operative democracy. This increased maturity amongst the general public has been of vast importance, not only to co-operation, but also to the community as a whole, for it is evident that when the working classes of the nations as a means of self-defence and mutual co-operation take up the battle with the strongly educative task of taking into their own hands the acquisition or production of goods within wide fields, this also means that the modern States by this means also acquire a fount of increased social fitness of a large number of citizens, which can hardly be gained by any other means, and whose value can hardly be over-estimated.

The Press and Propaganda Exhibition which is now being opened supplies a picture with many facets as to how intense and manifold the work of co-operative education is in different countries. The Exhibition is, in the first instance, intended to give an opportunity to those co-operators, who are now gathered in the Swedish capital from all the four corners of the earth, to get a survey of this vast and extensive field, and also to learn from one another in those respects where this is possible with regard to the principles and working methods of the national movements which vary in certain particulars.

I have been entrusted with the honourable task of opening this Exhibition, and in expressing the hope that it will contribute towards a more and more fruitful work of co-operative education and instruction in the various countries, and thus also contribute towards preparing the soil for the further development of co-operative economics for the benefit of the different nations in the world. I now declare the Exhibition open.

The Exhibition was then thrown open to delegates and visitors who paraded the spacious corridors and ante-rooms of the Konserthus inspecting the various exhibits and comparing notes on the methods of different countries.

It was beyond all question a great enlightenment to many that there existed such a variety of ways of expressing the co-operative principle and that so much ingenuity and artistic merit had been introduced into co-operative propaganda.

The Exhibition remained a source of interest and inspiration throughout the Congress.

I.C.A.

FOUNDED 1895

Now comprises 36
States ; 104 National
Unions and Federa-
tions ; 100,000 Co-opera-
tive Societies ; 50,000,000
Individual Members.

ITS CONSTITUENTS

Mainly Consumers' Societies, but
also Producers' (Industrial and
Agricultural), Credit, Banking and
Assurance.

ITS AIMS

In continuance of the work of the Roch-
dale Pioneers (of 1844) it 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 help.

ITS PRINCIPLES

Truth, Justice and Economy in Production and Exchange :
Economic and Social Emancipation : Democracy in Con-
stitution and Government : Neutrality in Politics and
Religion : The Fraternity of the Peoples without Limitation
of Colour, Race or Creed.

ITS MOTTO

Each for All and All for Each.

ITS EMBLEM AND FLAG

The Rainbow with its Seven Colours : Symbol of Hope.

ITS GOAL

THE ESTABLISHMENT OF THE CO-OPERATIVE COMMONWEALTH

APPENDIX I.

List of Members
of the
International Co-operative Alliance

JUNE, 1927.

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 8a and b and 17b). (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 8c, d, and e, and 17a).

Collective Members.		
Country.	Name of Organisation.	No. of Societies affiliated in 1926.
AUSTRIA.....	Verband deutsch-österr. Konsumvereine, Vienna.	130
BELGIUM	Office Coopératif Belge, Brussels.	56
BULGARIA	Centrale Coopérative "Napred," Sofia.	55
CZECHO-SLOVAKIA..	Ustředni Svaz Československých družstev, Prague.	198
	Verband deutscher Wirtschafts-genossenschaften, Prague.	192
FINLAND	Kulutusosuuskuntien Keskusliitto, Helsingfors.	113
	Osuustukkukauppa R.L., Helsingfors.	112
	Yleinen Osuuskauppojen Liitto, Helsingfors.	430
FRANCE	Fédération Nationale des Co-opératives de Consommation, Paris.	1650

Country.	Name of Organisation.	No. of Societies affiliated in 192.
GERMANY	Zentralverband deutscher Konsumvereine, Hamburg.	1113
HOLLAND	Centrale Bond van Nederlandsche Verbruikscoöperaties, The Hague.	135
LATVIA	Centrālā Savienība "Konzums," Riga.	410
NORWAY.....	Norges Kooperative Landsforening, Oslo.	434
RUSSIA	All-Russian Union of Agricultural Co-operation, "Selskosojus," Moscow.	30,500
SPAIN	Federacion Regional de Cooperativas de Cataluna, Barcelona.	148
SWEDEN	Kooperativa Förbundet, Stockholm.	893
SWITZERLAND	Verband schweiz. Konsumvereine, Basle.	517
UKRAINE	Allukrainischer Genossenschaftsverband "Wukopspilka," Charkow.	8163
	Allukrainischer Verband der landwirtschaftlichen Genossenschaften "Silsky Hospodar," Charkow.	4,422
UNITED STATES ...	The Co-operative League, New York.	176

Individual Members.

Country.	Name of Organisation.
ARGENTINE.....	"El Hogar Obrero," Buenos Ayree.
ARMENIA.....	L'Union des Sociétés Coopératives de l'Arménie "Aycoop," Erivan.
AZERBAIDJAN.....	Union of Co-operative Societies of Azerbaidjan "Azerittifak," Baku.
BULGARIA	Société Coopérative d'Assurance et d'Epargne des Fonctionnaires Bulgares, Sofia.
	Union des Banques Populaires, Sofia.
CANADA	The Co-operative Union of Canada, Brantford, Ontario.
	British Canadian Co-operative Society, Sydney Mines, Nova Scotia.

Country.	
DENMARK.....	De Samvirkende danske Andelsselskaber. Aarhus. Det Kooperative Faellesforbund i Danmark. Copenhagen.
ESTONIA.....	Eesti Tarvitajateühisuste Keskühisus. Tallinn.
FINLAND.....	Finlands Svenska Andelsförbund, Helsingfors. Society "Pellervo Seura," Helsingfors. Paloapuyhdistys "Tulanturva," Helsingfors. Vakuutusosakeyhtiö "Kansa," Helsingfors.
FRANCE.....	Chambre Consultative des Associations Ouvrières de Production, Paris. Fédération Nationale de la Mutualité et de la Coopération Agricoles, Paris.
GEORGIA.....	Union Coopérative de la République géorgienne "Tsekavshiri," Tiflis.
GREAT BRITAIN.....	The Co-operative Union of Great Britain, Limited, Manchester, and about 450 Societies.
HOLLAND.....	Coöperatieve Groothandelsvereniging "De Handelskamer," Rotterdam.
HUNGARY.....	"Hangya" Co-operative Wholesale Society of the Alliance of Hungarian Farmers, Budapest. Landes-Central Creditgenossenschaft, Budapest. Zentrale der ungarländischen Genossenschaften, Budapest. "Diligentia" Sparcassen Actiengesellschaft, Budapest. <u>Altalános Fogyasztási Szövetkezet, Budapest.</u>
INDIA.....	The Bombay Central Co-operative Institute, Fort, Bombay.
JAPAN.....	Sangiokumiai Chiuokai, Central Union of Co-operative Societies of Japan, Tokyo.
LATVIA.....	Latvijas Tautas Banka, Riga. Verband der Konsumvereine Lettlands, Riga.
LITHUANIA.....	Lietuvos Koperacijos Bendroviu Sajunga, Kaunas.
PALESTINE.....	General Co-operative Association of Jewish Labour in Erez-Israel "Hevrat Ovdim," Ltd., Tel-Aviv.

Country.	
POLAND.....	Zwiazek Spoldzielni Spozywcow, Rzeczypospolitej Polskiej, Warsaw. Revisionsverband ukrainischer Genossenschaften in Lwow, Lemberg. Landesverband der ukrainischen Konsumgenossenschaften "Narodna Torhowla," G.m.b.H., Lemberg.
PORTUGAL.....	Casa do Povo Portuense, Oporto.
ROUMANIA.....	Centrale Cooperativelor de Productie si Consum, Bucharest. Centrala Bancilor Populare, Bucharest. Centrale der "Hangya" Genossenschaften, Aiud, Nagyenyed.
RUSSIA.....	All-Russian Central Union of Consumers' Societies, "Centrosoyus," Moscow. All-Russian Co-operative Bank "Vseko-bank," Moscow.
SWITZERLAND.....	Verband der Genossenschaften "Konkordia" der Schweiz, Zurich. Schweizerische Genossenschaftsbank, St. Gallen.
UKRAINE.....	Allukrainische Genossenschaftsbank, "Ukrainbank," Charkow. Allukrainische genossenschaftliche Bücherhandels- und Bücherverlagsgesellschaft "Knyhospilka," Charkow. Allukrainischer Versicherungsverband "Co-opstrakh," Charkow.
WHITE RUSSIA.....	The White Russian Central Union of Consumers' Societies "Belcoopsoyus," Minsk.
YUGO-SLAVIA.....	Fédération des Unions Coopératives dans le Royaume des Serbes, Croates et Slovènes, Belgrade. Zveza Gospodarskih Zadrug Za Slovenijo, Ljubljani.

APPENDIX II.**TOTAL SUBSCRIPTIONS RECEIVED FROM EACH COUNTRY.
1924-1926.**

Country.	1924.			1925.			1926.		
	£	s.	d.	£	s.	d.	£	s.	d.
Argentina	3	0	0	3	0	0	3	0	0
Armenia.....	50	0	0	50	0	0	50	0	0
Austria.....	47	16	0*	54	16	0*	92	0	0
Azerbaijan	50	0	0	50	0	0	50	0	0
Belgium.....	29	0	7*	28	13	4*	30	2	8*
Bulgaria.....	16	12	6*	16	12	0*	26	18	0*
Canada.....	2	0	0	—	—	—	2	0	0
Czecho-Slovakia	135	17	0*	139	9	10*	136	10	3*
Denmark	160	0	0	160	0	0	160	0	0
Estonia	10	0	0	10	0	0	10	0	0
Finland	265	0	0	262	0	0	212	2	0
France.....	182	13	0*	185	0	2*	259	3	10*
Georgia.....	50	0	0	50	0	0	50	0	0
Germany.....	484	0	0	462	16	0	464	16	0
Great Britain.....	1588	18	0	1564	7	0	1586	19	6
Holland	37	8	0	46	8	0	46	8	0
Hungary.....	42	4	0*	45	0	0*	45	0	0*
India†.....	—	—	—	10	0	0	10	0	0
Italy.....	59	6	6	20	0	0	—	—	—
Japan.....	10	0	0	10	0	0	10	0	0
Latvia.....	26	12	0	29	2	0	30	5	0
Lithuania	10	0	0	10	0	0	—	—	—
Norway	24	16	0	26	13	0	31	17	0
Palestine†.....	—	—	—	10	0	0	20	0	0
Poland	24	0	0	40	0	0	40	0	0
Portugal†.....	—	—	—	2	10	0	5	0	0
Roumania	70	0	0†	40	10	0	40	0	0
Russia.....	300	0	0	300	0	0	464	10	0
Spain	6	3	0	16	10	0	14	0	0
Sweden	100	0	0	117	12	0	120	0	0
Switzerland	131	10	0	131	10	0	131	10	0
Ukraine	841	15	0	841	15	0	841	15	0
United States.....	28	9	0	25	8	10	25	0	0
White Russia‡.....	—	—	—	—	—	—	25	0	0
Yugo-Slavia	10	0	0	10	0	0	10	0	0

* Calculated at "mean rate."

† Includes £40 arrears.

‡ Admitted in 1925.

§ Admitted in 1926.

List of Speakers.

	PAGE
ALLEN, SIR THOMAS	168
BALOGH, ELEMER DE	169
BARTON, MRS. E.	229, 234
FREUNDLICH, MRS. E.	164, 277
FRIIS, F. T. B., League of Nations Secretariat	40
GJÖRES, AXEL	283
GIDE, PROF. C.	136, 269
GOETTLER, A.	132
GOUREVITCH, A.	128
GRINLING, C. H.	208, 234
GUILLEVIC, M. A.	274
HACKEL, W.	123, 166
HEDBERG, A.	279
HORST, M. VAN DEB	142
JAEGGI, B.	163, 171
JOHANSSON, A.	28, 204, 209, 211, 248
KAMINISKA, MRS. B.	124
KASCH, A.	122
KAUFMANN, H.	228
KETO, J. W.	275, 279
KISSIN, A. A.	116, 124, 141, 236, 238, 240
KRAVCHENKO, MRS. HELEN	274
KREUTZ, —	117, 240
LEVY, GASTON	205, 212, 243
LÖFGREN, E., Swedish Foreign Minister	31
LORENZ, H.	118, 128, 139, 142, 232, 239
LUSTIG, E.	142

LIST OF SPEAKERS—*continued.*

MAY, H. J., General Secretary, I.C.A. ...	50, 119, 131, 132, 133, 136, 138, 147, 242, 244, 245, 247, 283
MESTCHERIAKOFF, PROF. N. L....	... 134, 137, 167, 231, 233
MIRUS, A. G. ... ..	... .. 136, 236
PAISH, SIR GEORGE, Universal Free Trade Committee	... 43
POISSON, E., Vice-President I.C.A. ...	...28, 32, 40, 47, 49, 126, 145, 147, 172, 209, 272, 276, 279
PRIVAT, DR. E. ... ..	... .. 135
RABINOVITCH, P. J. ... ..	... 121, 206, 211, 241, 273
RAPACKI, M. ... ..	... .. 207
RATNER, G. M. ... ..	... .. 276
RENNER, DR. K. ... ..	... .. 247
RONN, E. ... ..	... .. 233
SERWY, V. ... ..	... 125, 129, 239, 241
SIERAKOWSKY, — ... ..	... .. 271
TENHUNEN, M. ... ..	... .. 120
THOMAS, ALBERT, Director, International Labour Office	145, 241
TOIVONEN, ONNI ... ..	... .. 268
TOROSHELIDZE, M. G. ... ..	... .. 135
TOTOMIANZ, PROF. V. ... ..	... .. 165
WHITEHEAD, A., Vice-President, I.C.A.	38, 116, 122, 124, 128, 137, 138, 211, 212, 213, 228, 229, 230, 232, 234, 235, 241, 242, 243, 247, 248